

POTOMAC SAND AND GRAVEL CO.

1/9/4/93

LICENSE AGREEMENT

THIS AGREEMENT, made in duplicate this the 15th day of November, 1956, by and between the PUBLIC LAND CORPORATION OF WEST VIRGINIA, a public land corporation of the State of West Virginia, whose principal office is in the State Capitol, Charleston, West Virginia, hereinafter called the LICENSOR, and DRAVO CORPORATION, a Pennsylvania corporation, Dravo Building, 5th and Liberty Avenues, Pittsburgh 22, Pennsylvania, hereinafter called the LICENSEE,

WHEREAS, the LICENSOR is vested with the title of the State in public lands and is authorized on behalf of the State of West Virginia to contract or lease for the proper development of oil, gas, mineral and water rights within or upon the lands or property under its control, and

WHEREAS, the LICENSEE owns certain islands and/or lands abutting on the Ohio River, and is vested with all of the rights, titles and interests of a riparian owner in relation thereto; and is also the owner, as lessee, of certain leases for the purposes of dredging sand and gravel, in which leases various riparian owners, respectively, are lessors; and

WHEREAS, the LICENSOR has asserted its title to the bed of said Ohio River and all minerals including sand, gravel, coal, oil and gas therein, thereon and thereunder except such rights, title and interests as are owned by

owners of riparian lands abutting on said river, and it is the desire of the LICENSOR to grant the LICENSEE the right and privilege of dredging, excavating, removing, and carrying away sand and gravel deposits in, on, and under the bed of said river, and

WHEREAS, there is a dispute between the LICENSOR and the LICENSEE as to the boundaries of the respective estates of the parties hereto in, on, and under the bed of the Ohio River; and

WHEREAS, the LICENSOR and the LICENSEE desire to enter into an agreement in order to obviate prolonged and costly litigation of the disputes hereinbefore mentioned, and to save expensive administrative costs on the part of the parties hereto.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10) this day cash in hand paid by the LICENSEE to the LICENSOR, the receipt of which is hereby acknowledged, and the further consideration of the full and complete performance of the covenants and agreements hereinafter set forth, the LICENSOR, insofar as, and only insofar as, it has the right and power so to do, does hereby grant unto the LICENSEE the nonexclusive right and privilege of dredging, excavating, removing, and carrying away the usable and merchantable sand and gravel from the bed of the Ohio River, and does further grant unto the LICENSEE title to said usable and merchantable sand and gravel when so dredged, excavated, or removed from the bed of the Ohio River.

It is expressly understood and agreed by and between the parties hereto that the nonexclusive rights and privileges granted by this agreement shall be irrevocable during the term hereof as hereinafter set forth, so long as there is full and complete performance of the covenants and agreements herein and hereafter set forth.

It is further expressly understood and agreed by and between the parties hereto that the rights and privileges herein granted are limited to such rights and privileges as the LICENSOR possesses and has a lawful right to grant, and that such rights and privileges are subject to the paramount right of navigation in the public, the regulation of which, in respect to foreign and interstate commerce, has been delegated to the United States.

The parties hereto further covenant and bind themselves as follows:

1. The term of this license agreement shall be for a term of twenty years, beginning on the 30th day of November, 1956.

2. The LICENSEE shall pay to the LICENSOR a minimum license fee of Two Thousand Dollars (\$2,000), payable at the rate of One Hundred Dollars (\$100) a year during the term of this agreement, the first of which payments shall be made on the 30th day of November, 1956, and a like payment of One Hundred Dollars (\$100) to be made on the 30th day of November each year during the term of this agreement.

3. The LICENSEE shall pay unto the LICENSOR during the term of this agreement the sum of One Cent (\$.01) per ton for each and every ton of 2,000 pounds of usable and merchantable sand and/or gravel dredged, removed or used from the bed (as hereinafter defined) of the Ohio River. The amount of such sand and/or gravel shall be determined by the LICENSEE'S barge displacements at the unloading point, or, if the LICENSEE does not deliver such sand and gravel by barge, then by some other practical method used in the trade. The first of such tonnage fees shall be due and payable on or before the 30th day of April, 1957, and quarterly thereafter on or before the last day of each January, April, July, and October, and all such payments hereunder shall be made to the LICENSOR, at its office in the Capitol at Charleston, West Virginia.

4. The minimum annual license fee shall be credited by the LICENSOR on the tonnage fee for such year.

5. For the purpose of this agreement and to further the intent of the parties hereto to obviate prolonged and costly litigation and to save administrative expenses, the bed of the Ohio River is defined as that portion of such river as is covered by water at normal pool stage, as shown by the present charts and maps of the Ohio River prepared by the Corps of Engineers of the United States Army.

6. The LICENSEE shall, on or before the 30th day of April, 1957, and on the last day of each

January, April, July, and October thereafter, file with the LICENSOR a report, upon forms to be furnished by the LICENSOR, showing the quantity of sand and gravel, if any, dredged, removed, or used hereunder during such preceding quarter, measured as aforesaid.

7. The LICENSEE shall keep accurate and complete books and records showing the amount and type of sand and gravel dredged, removed, or used hereunder. and all such books, records and accounts of the LICENSEE shall be open at all reasonable times for the inspection of the LICENSOR, its agents or attorneys; provided, however, that the LICENSOR, its agents or attorneys shall keep all information obtained by such inspection or inspections confidential, except in the event of a bona fide dispute between the parties hereto.

8. The LICENSEE shall dredge and remove said sand and gravel, in a workmanlike and proper manner.

9. The LICENSEE shall not at any time dredge or remove said sand and gravel, or any of it, or carry on its operations hereunder so as to injure or damage the person or property of others, and the LICENSEE covenants and agrees and binds itself to indemnify and save harmless the LICENSOR from any and all such injury, or damage caused by it in its operations hereunder, and the LICENSEE does assume all the responsibility therefor without claim upon the LICENSOR.

10. If all fees herein agreed to be paid by the LICENSEE shall remain unpaid for sixty (60) days after the same shall become due and payable, the LICENSOR shall have the right to enforce the payment of same by any remedies given by law.

11. In the event the LICENSEE shall fail to perform and observe any of the terms, conditions, and covenants of this agreement, or shall use the premises herein described contrary to the provisions and limitations hereof, and any such failure shall continue for a period of sixty (60) days after the LICENSOR shall have given written notice of such default to the LICENSEE, then and in any such event, at the election of the LICENSOR, the rights and privileges of the LICENSEE hereunder shall forthwith cease and terminate and the LICENSOR shall be entitled to exclude the LICENSEE from further exercising any and all of the rights and privileges herein granted.

12. It is further covenanted and agreed by and between the parties hereto that no individual liability shall attach to any member of the LICENSOR corporation by virtue of any of the provisions of this agreement.

13. It is further covenanted and agreed by and between the parties hereto that nothing contained herein shall be construed as an admission by the LICENSEE of the ownership in the LICENSOR of the sand and gravel covered by this agreement, nor does the LICENSOR make to

the LICENSEE any covenants of warranty respecting its title and ownership to the sand and gravel covered by this agreement.

14. It is further covenanted and agreed by and between the parties hereto that nothing herein contained shall be construed as authorizing an invasion by the LICENSEE of private property.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names, the LICENSOR, by its Chairman, and the LICENSEE, by its President, and their respective seals to be hereunto affixed, the day and year first above written.

PUBLIC LAND CORPORATION OF WEST VIRGINIA

By William C. Marland
Chairman

(Corporate Seal)

J. T. Johnson
Secretary

DRAVO CORPORATION

Carl B. Jansen
Carl B. Jansen, President

Attest: John S. Mason
John S. Mason - Secretary

(Corporate Seal)

LICENSE AGREEMENT

THIS AGREEMENT, made in duplicate this the _____ day of _____ 1962, by and between the STATE OF MARYLAND, acting by and through the BOARD OF PUBLIC WORKS, whose principal office is in the State Capitol, Annapolis, Maryland, hereinafter called the LICENSOR, and POTOMAC SAND AND GRAVEL COMPANY, a District of Columbia corporation, 3000 K Street, N.W., Washington 7, D.C., hereinafter called the LICENSEE.

WHEREAS, the LICENSOR owns the bed of the Potomac River and

WHEREAS, the LICENSEE owns Craney Island in the Potomac River off of Hallowing Point, and

WHEREAS, the LICENSOR has asserted its title to all minerals including sand and gravel in the bed of said river except such rights, title and interests as are owned by owners of riparian lands abutting on said river, and it is the desire of the LICENSOR to grant the LICENSEE the right and privilege of dredging, excavating, removing, and carrying away sand and gravel deposits in, on, and under the bed of said river, and

WHEREAS, there is a dispute between the LICENSOR and the LICENSEE as to the boundaries of the respective estates of the parties hereto in, on, and under the bed of the Potomac River in the vicinity of Craney Island, and

WHEREAS, the LICENSOR and the LICENSEE desire to enter into an agreement in order to obviate prolonged and costly litigation of the disputes hereinbefore mentioned, and to save expensive administrative costs on the part of the parties hereto.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10) this day cash in hand paid by the LICENSEE to the LICENSOR, the receipt of which is hereby acknowledged, and the further consideration of the full and complete performance of the covenants and agreements hereinafter set forth, the LICENSOR, insofar as, and only insofar as, it has the right and power so to do, does hereby grant unto the LICENSEE the exclusive right and privilege of dredging, excavating, removing, and carrying away the usable and merchantable sand and gravel from that portion of the Potomac River, bounded on the north by the Maryland-Virginia line, on the east by a line drawn between Hallowing and Chapman Points, on the south by the Virginia side of the main channel and on the west by a line drawn between Sycamore Point and the town of Indian Head; and does further grant unto the LICENSEE title to said usable and merchantable sand and gravel when so dredged, excavated, or removed from said portion of the Potomac River.

It is expressly understood and agreed by and between the parties hereto that the exclusive rights and privileges granted by this agreement shall be irrevocable during the term hereof as hereinafter set forth, so long as there is full and complete performance of the covenants and agreements herein and hereafter set forth.

It is further expressly understood and agreed by and between the parties hereto that the rights and privileges herein granted are limited to such rights and privileges as the LICENSOR possesses and has a lawful right to grant, and that such rights and privileges are subject to the paramount right of navigation in the public, the regulation of which, in respect to foreign and interstate commerce, has been delegated to the United States.

The parties hereto further covenant and bind themselves as follows:

1. The term of this license agreement shall be for a term of twenty years, beginning on July 1, 1962.
2. The LICENSEE shall pay to the LICENSOR a minimum license fee of Two Thousand Dollars (\$2,000), payable at the rate of One Hundred Dollars (\$100) a year during the term of this agreement, the first of which payments shall be made on July 1, 1962, and a like payment of One Hundred Dollars (\$100) to be made on July 1 each year during the term of this agreement.
3. The LICENSEE shall pay unto the LICENSOR during the term of this agreement the sum of Three Cents (\$.03) per ton for each and every ton of 2,000 pounds of usable and merchantable sand and/or gravel dredged, excavated or removed hereunder. The amount of such sand and/or gravel shall be determined by the LICENSEE'S barge displacements at the unloading point, or, if the LICENSEE does not deliver such sand and gravel by barge, then by some other practical method used in the trade. Such tonnage fees shall be due and payable quarterly within

thirty (30) days after the end of each calendar quarter and all such payments hereunder shall be made to the LICENSOR, at its office in the Capitol at Annapolis, Maryland.

4. The minimum annual license fee shall be credited by the LICENSOR on the tonnage fee for such year.

5. The LICENSEE shall pay said fee of Three Cents (\$.03) per ton on all sand and gravel dredged, excavated or removed from that portion of the Potomac River hereinbefore described.

6. With each payment of fees hereunder the LICENSEE shall file a report showing the quantity of sand and gravel dredged, removed, or used hereunder during such preceding quarter, measured as aforesaid.

7. The LICENSEE shall keep accurate and complete books and records showing the amount of sand and gravel dredged, removed, or used hereunder, and all such books, records and accounts of the LICENSEE shall be open at all reasonable times for the inspection of the LICENSOR, its agents or attorneys; provided, however, that the LICENSOR, its agents or attorneys shall keep all information obtained by such inspection or inspections confidential, except in the event of a bona fide dispute between the parties hereto.

8. The LICENSEE shall dredge and remove said sand and gravel, in a workmanlike and proper manner.

9. The LICENSEE shall not at any time dredge or remove said sand and gravel, or any of it, or carry on its operations hereunder so as to injure or damage the person or property of others, and the LICENSEE covenants and agrees and binds itself to indemnify and save harmless the LICENSOR from any and all such injury or damage caused by it in its operations hereunder, and the LICENSEE does assume all the responsibility therefor without claim upon the LICENSOR.

10. If all fees herein agreed to be paid by the LICENSEE shall remain unpaid for sixty (60) days after the same shall become due and payable, the LICENSOR shall have the right to enforce the payment of same by any remedies given by law.

11. In the event the LICENSEE shall fail to perform and observe any of the terms, conditions, and covenants of this agreement, or shall use the premises herein described contrary to the provisions and limitations hereof, and any such failure shall continue for a period of sixty (60) days after the LICENSOR shall have given written notice of such default to the LICENSEE, then and in any such event, at the election of the LICENSOR, the rights and privileges of the LICENSEE hereunder shall forthwith cease and terminate and the LICENSOR shall be entitled to exclude the LICENSEE from further exercising any and all of the rights and privileges herein granted.

12. It is further covenanted and agreed by and between the parties hereto that nothing contained herein shall be construed as an admission by the LICENSEE of the ownership in the LICENSOR of the sand and gravel covered by this agreement, nor does the LICENSOR make to the LICENSEE any covenants of warranty respecting its title and ownership to the sand and gravel covered by this agreement.

13. It is further covenanted and agreed by and between the parties hereto that nothing herein contained shall be construed as authorizing an invasion by the LICENSEE of private property.

WITNESS the due execution hereof the day and year first above written.

STATE OF MARYLAND

BY _____

ATTEST:

(SEAL)

DEAVO CORPORATION

ATTEST:

(CORPORATE SEAL)

January 30, 1962

Mr. Joseph S. Kaufman, Deputy Attorney General
State Law Department
10 Light Street
Baltimore-2, Maryland

Dear Mr. Kaufman:

This will acknowledge your letter of January 22nd relative to the renewal of the permit issued to the Potomac Sand and Gravel Company, for dredging sand and gravel in the vicinity of Craney Island in the Potomac River. We have advised the appropriate State agency of your opinion in this matter.

Thank you for your cooperation.

Very truly yours,

Secretary.

AH/mb

MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

RECEIVED

JAN 30 1962

BOARD OF PUBLIC WORKS

January 30, 1962

F. J. Lloyd, Jr., President
Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington 7, D. C.

Dear Mr. Lloyd:

Following my letter of December 28, 1961, Mr. John S. Mason and you called at this office to discuss with the Executive Secretary, your application to the Corps of Engineers for a permit to remove sand and gravel from the vicinity of Craney Island. You advised the Executive Secretary that your Company owns Craney Island, that you pay taxes on the Island to Charles County, Maryland, and that the royalty requirement of Sec. 485 of Art. 27 may possibly not apply to the area adjacent to Craney Island.

At our suggestion the Board of Public Works has requested the Attorney General for an opinion on the question you raise. In reply the Attorney General refers to a former opinion respecting the area around Craney Island (41 Opinions of the Attorney General 97). In this 1956 opinion the Attorney General states that:

Smoot takes the position that this Island, which lies west of the channel on the Virginia side, establishes riparian rights in them and that they should not be required to obtain a license from your Board before proceeding with dredging in that area. We do not agree with the legal contention of the Company.

The opinion of the Attorney General dated January 22, 1962 states that:

Subsequently the General Assembly by virtue of Chapter 498 of the Laws of 1957 amended the provisions relating to the taking of sand and gravel (Art. 27, Sec. 485) and expressly authorized the Board of Public Works to grant "for an adequate consideration in money" to any person or corporation the right to dig, dredge and carry away sand and gravel or other materials. It is

Mr. F. J. Lloyd, Jr.

-2-

January 29, 1962

clear that the General Assembly in creating authorization to the Board of Public Works desired that any person or corporation dredging sand and gravel from the Potomac River be required to pay an adequate consideration for that privilege.

In view of these opinions, it is suggested that you make arrangements with the Board of Public Works in advance for the payment of royalties on sand and gravel which you propose to remove from the vicinity of Craney Island. When arrangements satisfactory to the Board of Public Works have been made, we shall withdraw our objections to the dredging permit required by the Corps of Engineers.

Sincerely yours,

Joseph H. Manning
Chairman

JHM:alt

cc: Andrew Heubeck, Jr., Secretary
Board of Public Works

January 23, 1962

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

I am enclosing for your information a copy of the opinion of the Attorney General dated January 22, 1962 in connection with the renewal of the permit to the Potomac Sand and Gravel Company for dredging in the Potomac River. This opinion states very clearly the position of the State.

Please inform the appropriate and interested parties and advise them that if any further dredging is to be done a license must be secured from the Board of Public Works.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es
Enclosure



STATE OF MARYLAND
STATE LAW DEPARTMENT
10 LIGHT STREET
BALTIMORE 2, MD.

January 22, 1962

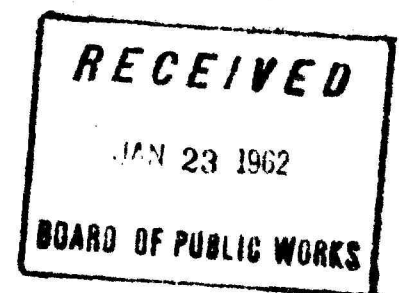
Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

Attorney General Finan has referred to me for reply your letter of January 18, 1962, relative to the renewal of the permit issued to the Potomac Sand and Gravel Company. You advise that the Potomac Sand and Gravel Company has applied to the Corps of Engineers for renewal of a permit dated August 1, 1931, for dredging sand and gravel in the vicinity of Craney Island in the Potomac River. You further advise that public notice has been given as to any objections. The Chairman of the Board of Natural Resources has advised the company that pursuant to the provisions of Section 485 of Article 27 a royalty on sand and gravel removed from this area should be paid to the State. Accordingly, the Corps of Engineers has been requested by the Board of Natural Resources to defer granting a permit until satisfactory arrangements have been made with the State of Maryland. You request our opinion as to whether or not the Board of Public Works can require a royalty on the sand and gravel which the Potomac Sand and Gravel Company proposes to remove from the vicinity of Craney Island.

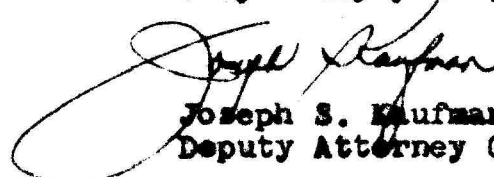
The issue raised has been reviewed on previous occasions. In an opinion dated January 25, 1956, and recorded in 41 Opinions of the Attorney General 97, this office was asked to consider the application made by the Smoot Sand and Gravel Company for permits

*Original copy in
"Opinions" file.*



to dredge in the vicinity of Mt. Vernon and Craney Island in the Potomac River. The contentions made by the company were the same as those made at the present. It was held that the entire interest in the land underlying the Potomac River belongs to the State of Maryland. The opinion recognized a distinction between Craney Island itself and the land under water surrounding the same. The opinion concluded that if it would be advantageous to the State and its citizens to grant a license for the dredging of sand and gravel, the same could be given "for a nominal consideration". Subsequently the General Assembly by virtue of Chapter 498 of the Laws of 1957 amended the provisions relating to the taking of sand and gravel (Article 27, Section 485) and expressly authorized the Board of Public Works to grant "for an adequate consideration in money" to any person or corporation the right to dig, dredge and carry away sand and gravel or other materials. It is clear that the General Assembly in granting authorization to the Board of Public Works desired that any person or corporation dredging sand and gravel from the Potomac River be required to pay an adequate consideration for that privilege. It is, therefore, our opinion that the Board of Public Works is by law required to issue a license for the taking of sand and gravel and that it shall grant this privilege only upon the payment of adequate consideration in money.

Very truly yours,


Joseph S. Kaufman
Deputy Attorney General

JSK:imb

January 18, 1962

Honorable Thomas B. Finan
Attorney General of the State of Maryland
State Law Department
Mathieson Building
Baltimore 2, Maryland

Dear Mr. Finan:

Public Notice NABOP-P issued on December 4, 1961 by the Baltimore District of the Corps of Engineers announces that the Potomac Sand and Gravel Company of Washington has applied to the Corps of Engineers for renewal of a permit issued August 1, 1931 for dredging sand and gravel in the vicinity of Craney Island in the Potomac River. The Public Notice requests that objections to the renewal of this permit be transmitted in writing to the Corps of Engineers.

Upon receipt of the Public Notice, Joseph H. Manning, Chairman of the Board of Natural Resources, advised the Potomac Sand and Gravel Company that Craney Island lies on the Virginia side of the main channel in the Potomac River and that Sec. 485 of Art. 27 requires a royalty on sand and gravel removed from this area in the river. Mr. Manning advised the Potomac Sand and Gravel Company to open negotiations with the Board of Public Works on the payment of the royalties required by law. Simultaneously, the Corps of Engineers was requested by the Board of Natural Resources to defer granting the permit until the Potomac Sand and Gravel Company had completed arrangements for royalties.

On January 10th, representatives of the Potomac Sand and Gravel Company, in a personal visit to the Board of Natural Resources, suggested that Sec. 485 of Art. 27 does not require the Company to pay royalties. This view of the Company is based on the following circumstances.

Honorable Thomas B. Finan

January 18, 1962

1. The area from which the Company contemplates removal of sand and gravel lies on the Virginia side of the channel which suggests that a royalty should be paid to the State.

2. The Company owns Craney Island and pays taxes on the Island in Charles County, Maryland. Since the Company is owner of riparian land on the Virginia side of the channel, the Company is of the opinion that sand and gravel may be removed from the vicinity of Craney Island without royalties in the same manner that sand and gravel may be removed in the area adjacent to the Maryland shore without royalties.

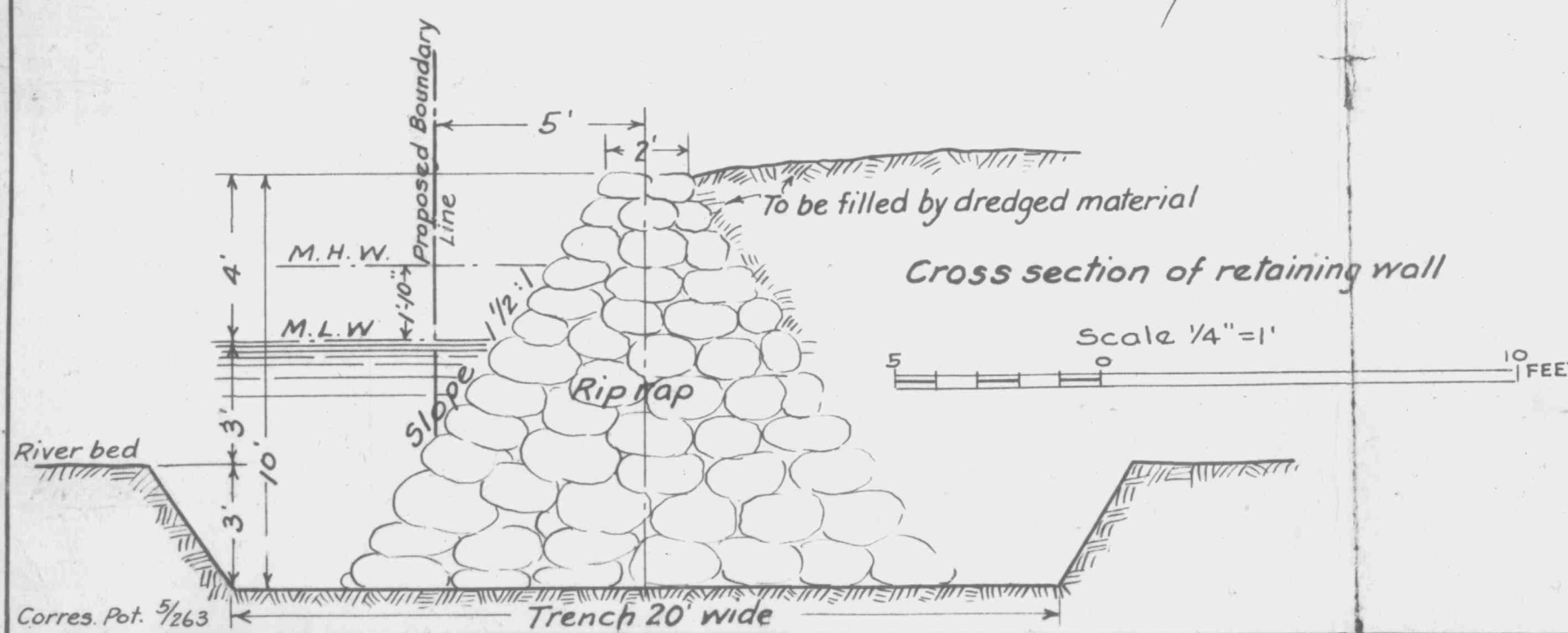
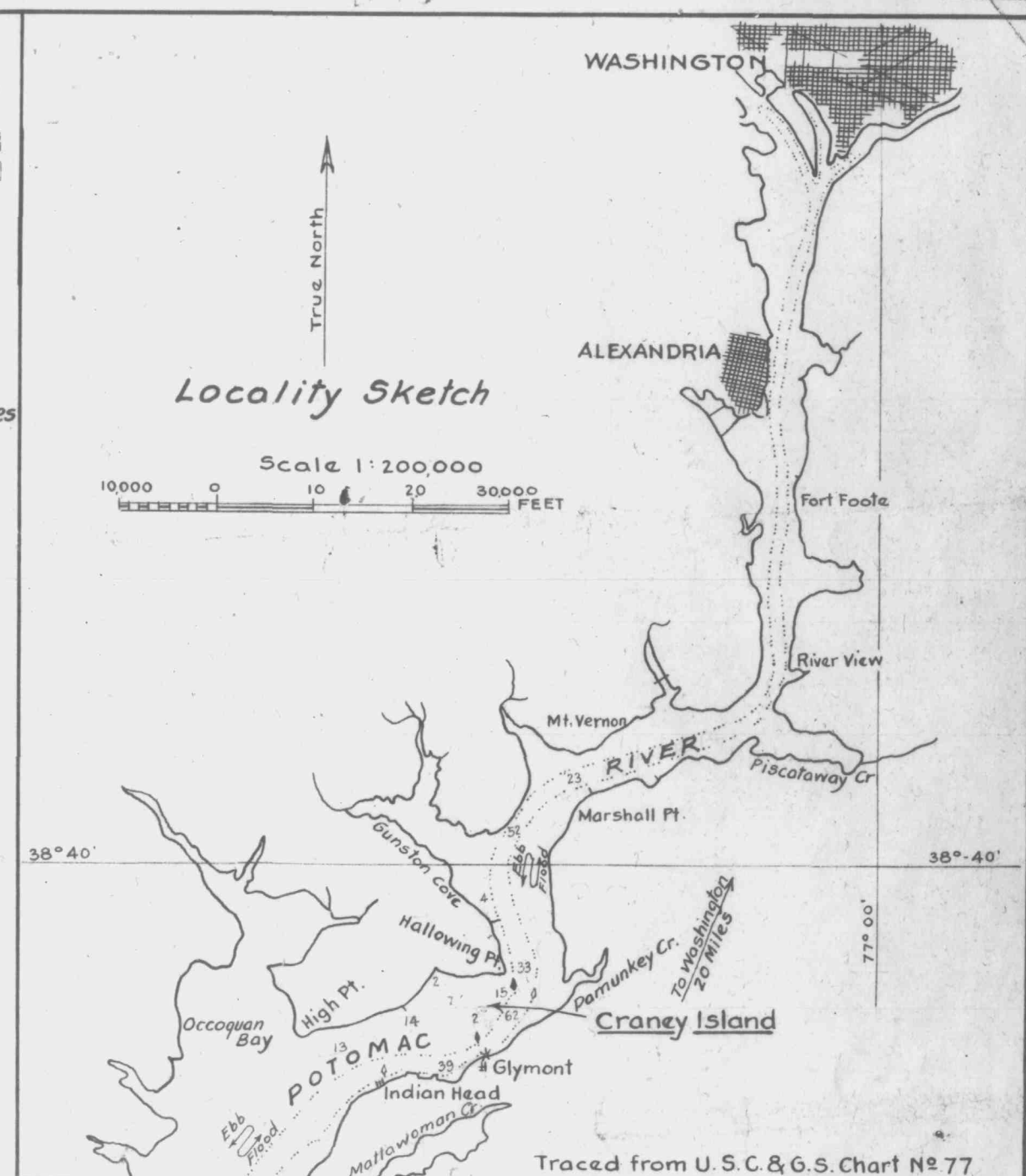
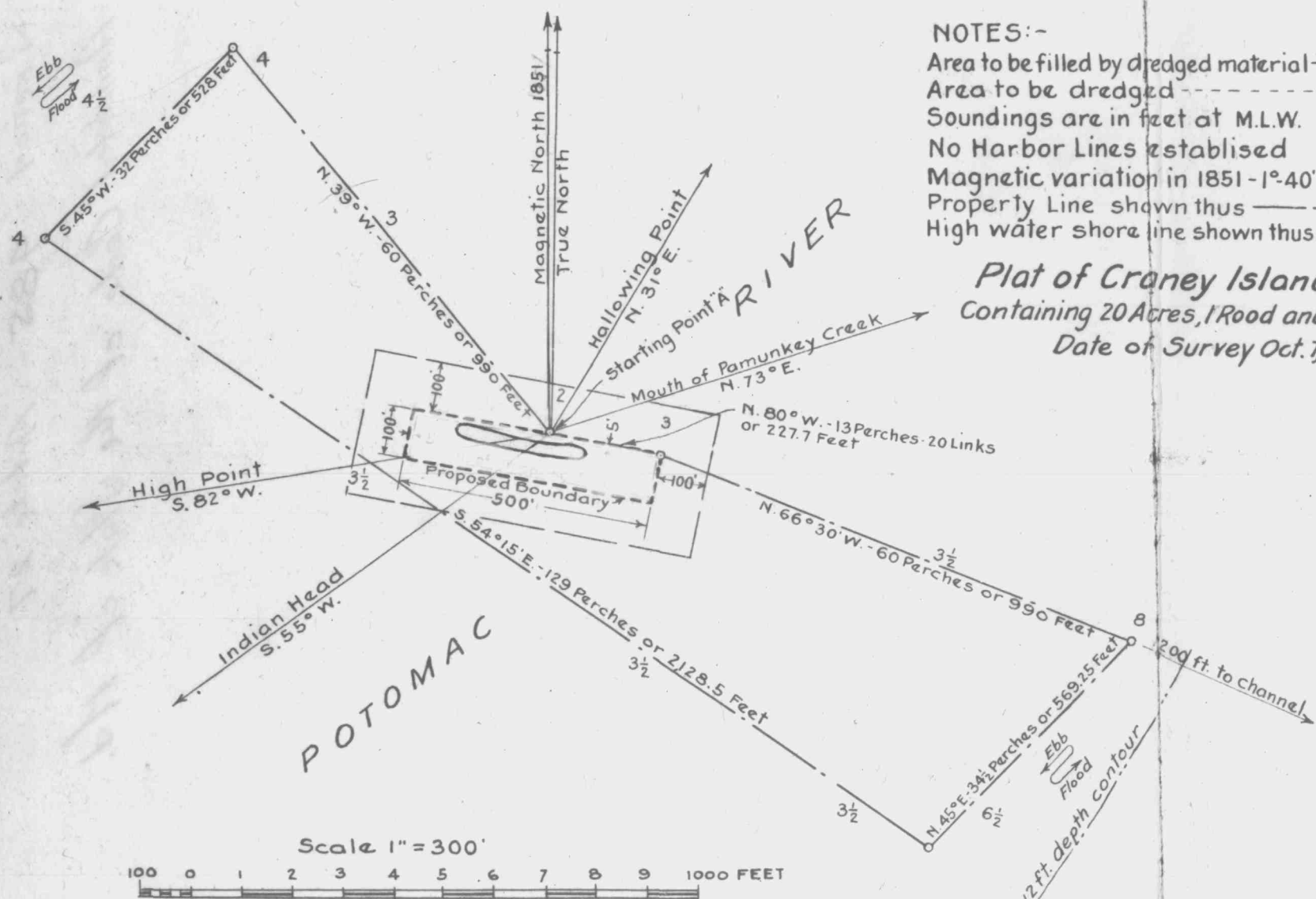
We should be pleased to have your opinion on whether the Board of Public Works can require a royalty on sand and gravel which the Potomac Sand and Gravel Company proposes to remove from the vicinity of Craney Island .

Please advise us if this office or the Board of Natural Resources can supply additional records on the ownership of Craney Island or other information not given above.

Sincerely yours,

Andrew Heubeck, Jr.
Secretary
Board of Public Works

AH:t



Proposed Fill & Retaining Wall
to restore Craney Island
in Potomac River
near Glymont, Md.

Application by L.E. Smoot, March 5, 1921.

Proposed letter

From: The Board of Public Works
To: The State Law Department

January 12, 1962

Thomas B. Finan
Attorney General of Maryland
State Law Department
Mathieson Building
Baltimore 2, Maryland

Dear Mr. Finan:

Public Notice NABOP-P issued on December 4, 1961 by the Baltimore District of the Corps of Engineers announces that the Potomac Sand and Gravel Company of Washington has applied to the Corps of Engineers for renewal of a permit issued August 1, 1931 for dredging sand and gravel in the vicinity of Craney Island in the Potomac River. The Public Notice requests that objections to the renewal of this permit be transmitted in writing to the Corps of Engineers.

Upon receipt of the Public Notice, Joseph H. Manning, Chairman of the Board of Natural Resources, advised the Potomac Sand and Gravel Company that Craney Island lies on the Virginia side of the main channel in the Potomac River and that Sec. 485 of Art. 27 requires a royalty on sand and gravel removed from this area in the river. Mr. Manning advised the Potomac Sand and Gravel Company to open negotiations with the Board of Public Works on the payment of the royalties required by law. Simultaneously, the Corps of Engineers was requested by the Board of Natural Resources to defer granting the permit until the Potomac Sand and Gravel Company had completed arrangements for royalties.

On January 10, representatives of the Potomac Sand and Gravel Company, in a personal visit to the Board of Natural Resources, suggested that

January 12, 1962

Sec. 485 of Art. 27 does not require the Company to pay royalties. This view of the Company is based on the following circumstances.

1. The area from which the Company contemplates removal of sand and gravel lies on the Virginia side of the channel which suggests that a royalty should be paid to the State.
2. The Company owns Craney Island and pays taxes on the Island in Charles County, Maryland. Since the Company is owner of riparian land on the Virginia side of the channel, the Company is of the opinion that sand and gravel may be removed from the vicinity of Craney Island without royalties in the same manner that sand and gravel may be removed in the area adjacent to the Maryland shore without royalties.

We should be pleased to have your opinion on whether the Board of Public Works can require a royalty on sand and gravel which the Potomac Sand and Gravel Company proposes to remove from the vicinity of Craney Island.

Please advise us if this office or the Board of Natural Resources can supply additional records on the ownership of Craney Island or other information not given above.

Very truly yours,

Andrew Heubeck, Jr.
Secretary

December 28, 1961

The Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington 7, D. C.

Gentlemen:

Public Notice dated December 4, 1961 from the U. S. Army Engineer District, Baltimore, Corps of Engineers, states that they have received an application from you for an extension of time in which to complete dredging for sand and gravel in the Potomac River at Craney Island.

Notice of your intention to dredge sand and gravel at Craney Island should be filed with the Board of Public Works of the State of Maryland, and we have asked the Corps of Engineers to withhold approval on your application pending receipt of such notice by the Board of Public Works.

Sincerely yours,

Joseph H. Manning,
Chairman

JHM:bsa

cc: Mr. Andrew H. Heubeck, Jr., Secretary
Board of Public Works
P. O. Box 466
Annapolis, Maryland

December 27, 1961

U. S. Army Engineer District, Baltimore
Corps of Engineers
23rd Street and Maryland Avenue
P. O. Box 1815
Baltimore 3, Maryland

Gentlemen:

This agency has received public notice dated 4 December 1961 concerning the application of the Potomac Sand and Gravel Company of Washington D. C. for an extension of time in which to complete dredging for sand and gravel in the Potomac River at Craney Island. Inasmuch as the dredging site lies off the Virginia shore of the Potomac River, certain royalties to the State of Maryland must be paid by the Potomac Sand and Gravel Company.

It is requested that approval of this application be withheld pending negotiations between the Potomac Sand and Gravel Company and the Board of Public Works of the State of Maryland with regard to the payment of royalties to this State.

Sincerely yours,

Joseph H. Manning,
Chairman

JHM:bsa

cc: Mr. Andrew H. Heubeck, Secretary
Board of Public Works

U. S. ARMY ENGINEER DISTRICT, BALTIMORE
CORPS OF ENGINEERS
23rd Street and Maryland Avenue
P. O. Box 1715
Baltimore 3, Maryland

NABOP-P(Smoot Sand & Gravel Corp.
Potomac River at Craney Island)

4 December 1961

PUBLIC NOTICE

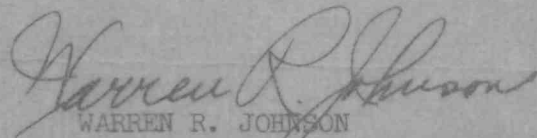
TO WHOM IT MAY CONCERN:

This office has received an application from the POTOMAC SAND AND GRAVEL COMPANY, 3020 K STREET, N. W., WASHINGTON 7, D. C., for an extension of time in which to complete dredging for sand and gravel in the POTOMAC RIVER AT CRANEY ISLAND OFF HALLOWING POINT, VIRGINIA. The work was originally authorized by Department of the Army permit issued 1 August 1931.

Plans showing the proposed work are on file in Room 230, U. S. Custom House, Gay and Lombard Streets, Baltimore 2, Maryland, and may be seen by interested parties. The proposed work has been partially completed, and it is the intention of the applicant to perform the balance of the work in the near future.

The decision as to whether or not approval will be forthcoming on the application for extension of time in which to perform the work must rest primarily upon the effect of the work upon navigation. Any criticism or protests regarding this application from the standpoint of navigation, should be received in this office on or before 23 December 1961.

It is requested that you communicate the foregoing information concerning the proposed work to any persons known by you to be interested and who, not being known to this office, do not receive a copy of this notice.


WARREN R. JOHNSON
Colonel, Corps of Engineers
District Engineer

April 18, 1962

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

When you visited our office on Friday, April 13th, you left certain papers relating to the request of the Potomac Sand and Gravel Company for permission to dig sand and gravel in the Potomac River in the vicinity of Craney Island.

We have retained copy of each of the following:

Proposed License Agreement with the State of Maryland.

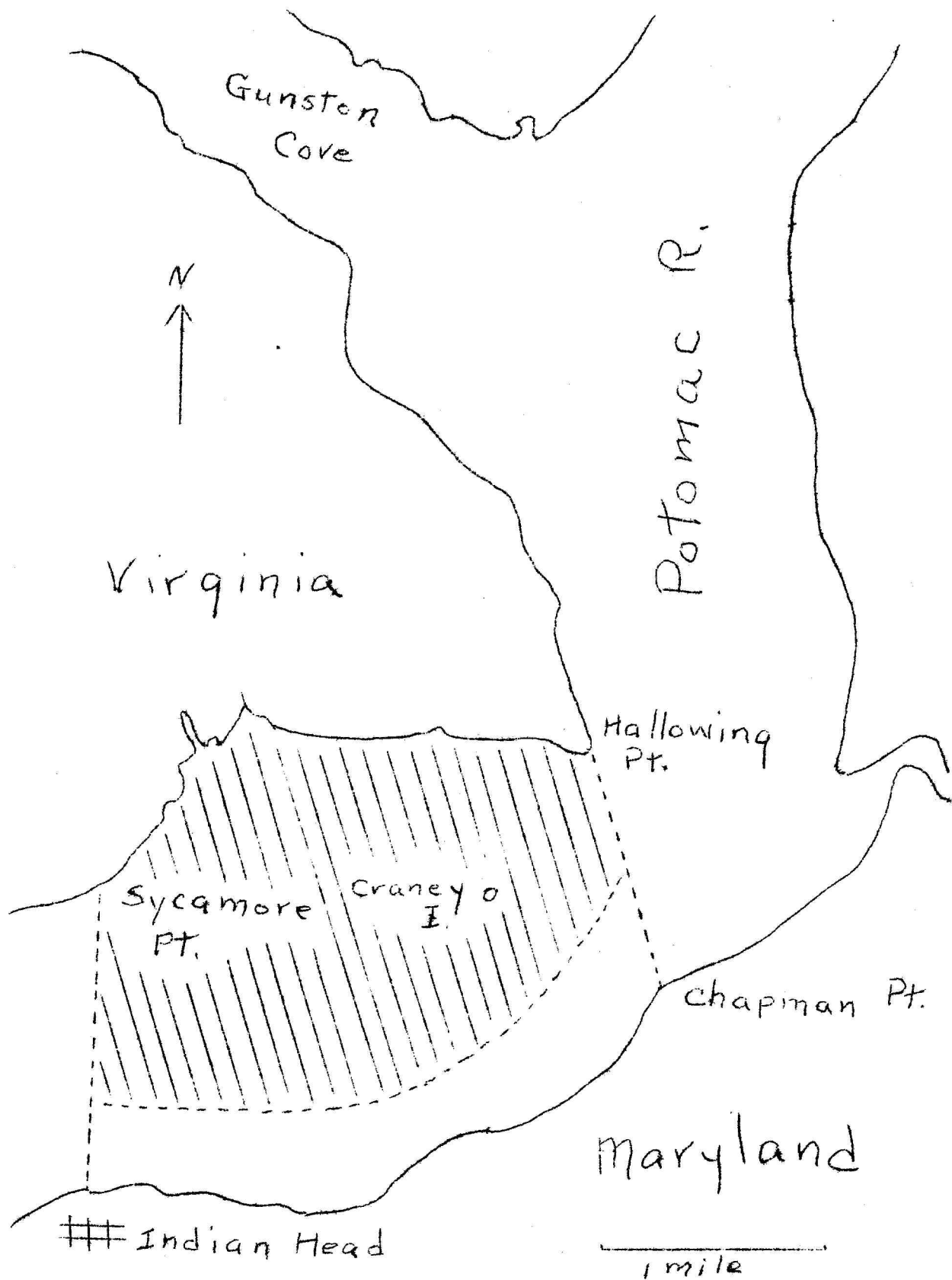
License Agreement between the State of West Virginia and Dravo Corporation, dated November 15, 1956.

The other papers are returned for your use in considering the request of Potomac Sand and Gravel Company.

Very truly yours,

Secretary.

mb/



Gunston
Cove



Virginia

Potomac R.

Hallowing
Pt.

Sycamore
Pt.

Craney I.

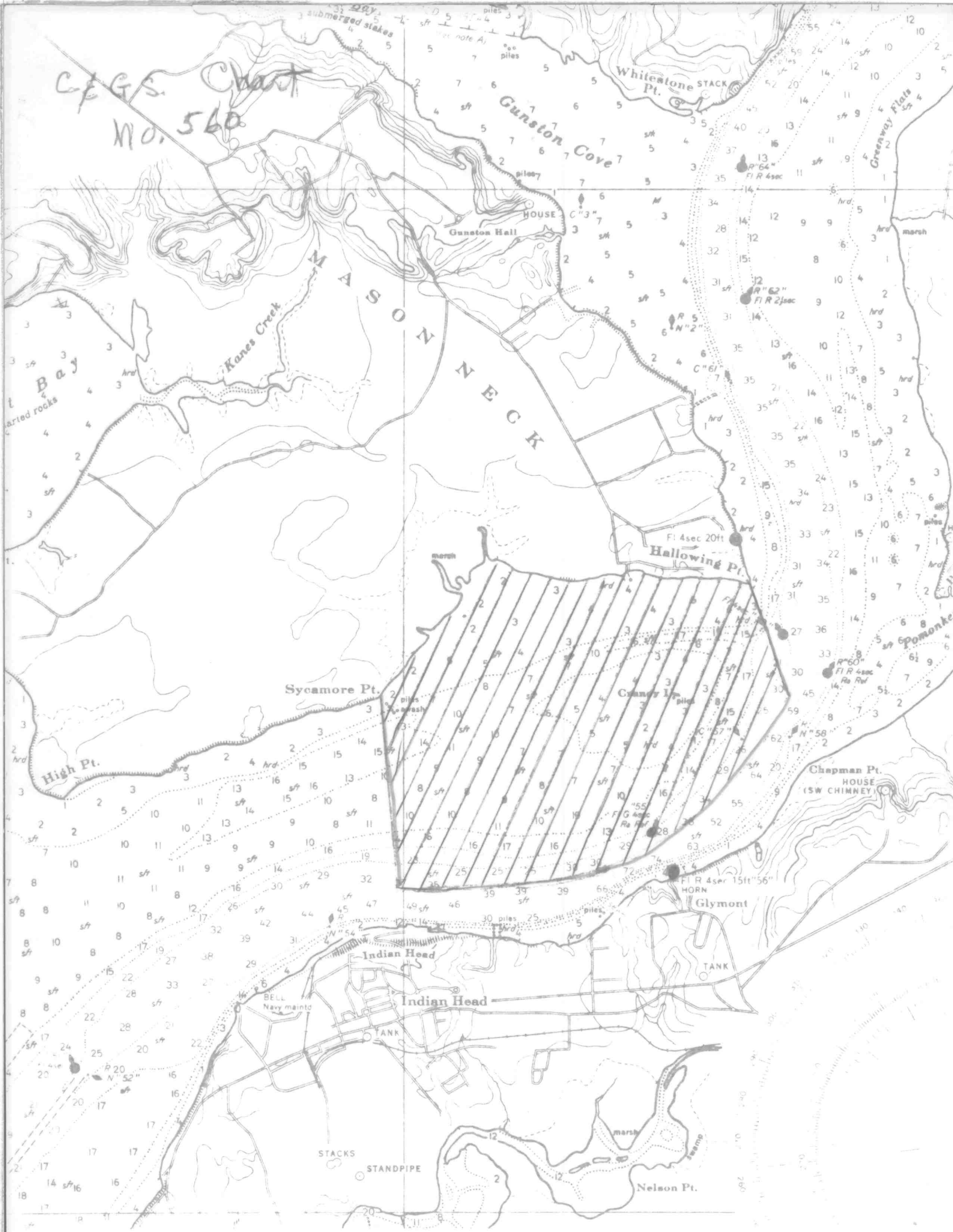
Chapman Pt.

Maryland

Indian Head

1 mile

C.F.G.S. Chart
No. 560



Maryland

BOARD OF NATURAL RESOURCES
State Office Building
Annapolis

RECEIVED

JUL 30 1962

BOARD OF PUBLIC WORKS

Re: Potomac Sand and Gravel Co.

MINUTES

185th Meeting
July 23, 1962

Meeting called to order at 10:15 A.M. on board the Governor Tawes, with nine members present and five absent as follows:

<u>Present</u>		<u>Absent</u>
Mr. Manning, Chairman		Dr. Cronin
Dr. Bamford	Mr. Kaylor	Mr. Hume
Mr. Beaven	Mr. McKee	Dr. Singewald
Mr. Bloom	Dr. Pritchard	Mr. Todd
Mr. Collins	Mr. Vaughn	Mr. Towner

Also present by invitation:

Turbit Slaughter, Associate Geologist, Department of Geology, Mines and Water Resources

David H. Wallace, Chairman, Commission to Study Disposal of Dredged Material from Baltimore Harbor

C. E. McGurk, U. S. Corps of Engineers, Philadelphia District

Carl C. Cable, U. S. Corps of Engineers, Philadelphia District

Robert K. Franz, Branch of River Basin Studies, U. S. Fish and Wildlife Service

John C. Widener, Hydrographic Engineer, Department of Tidewater Fisheries

Dr. Walter C. Boyer, Director of Engineering, Maryland Port Authority

Andrew Heubeck, Jr., Secretary, Board of Public Works

Tom Seppy, Associated Press, Annapolis

1. Board Membership. The Chairman introduced G. Francis Beaven, recently appointed by Governor Tawes as a member of the Board, and announced the reappointment of Dr. Ronald Bamford and Lester N. Towner to the Board. The Chairman introduced the guests listed above.

2. Minutes of the Previous Meetings. By motion duly seconded and passed, the Minutes of the 183rd meeting, held in Ocean City, May 15, were approved without change. It was moved by Dr. Pritchard --

That the record of the business of the June 10-11 meeting, which lacked a quorum, be approved by the Board at this meeting which does have a quorum.
Motion seconded. Motion passed.

3. Disposal of Navigation Spoils, Chesapeake and Delaware Canal. The Chairman referred to maintenance dredging now in progress, or contemplated, in the Chesapeake and Delaware Canal and in the channels leading to the canal. He advised the group that the Board of Natural Resources is particularly concerned that the material removed from navigation channels be deposited in areas where no damage is done to fish, wildlife or other

natural resources of the State. At this point the group examined U. S. Coast and Geodetic Survey charts #549, 570 and 572 on which the Corps of Engineers had indicated areas selected by the Corps for the disposal of navigation spoils. Copies of these charts showing disposal areas are on file with the Maryland Board of Public Works, the Board of Natural Resources, the Department of Tidewater Fisheries and the U. S. Fish and Wildlife Service.

The Chairman referred to the report of the Committee to Study Disposal of Dredged Material from Baltimore Harbor. The report recommended that all material dredged from navigation channels be deposited, as far as practicable, on fast land. The Chairman invited comments of those present on the disposal areas designated on the charts referred to above.

Mr. Vaughn observed that the material dredged from the canal itself will generally be deposited on adjacent land acquired by the Federal government. The Department of Game and Inland Fish is not concerned with material removed from the canal but is concerned with the material dredged from channels approaching the canal. Mr. Vaughn strongly urged that the material removed from these approach channels be deposited on the western shore of the Chesapeake Bay on Federal military property.

Mr. McGurk was asked how the disposal areas designated by the Corps of Engineers had been selected. Mr. McGurk replied that these disposal areas had been selected many years ago, that no objection had been made at that time, and that these areas had been continued as disposal sites.

The discussion then turned to the responsibility for providing sites for the disposal of navigation spoils. Mr. McGurk advised the Board that the responsibility for disposal areas depends upon the legislation which authorizes the project. In some cases a navigation project is approved by Congress on condition that local interests provide disposal areas; in other instances no reference is made to disposal areas and the Corps of Engineers is left to dispose of the spoils on sites where the transportation costs will be kept to a minimum. In the case of the Chesapeake and Delaware Canal project, the Corps of Engineers feels compelled to find disposal areas most practicable from the standpoint of cost. Mr. McGurk and Mr. Cable summarized the magnitude of the problem as follows:

- (1) 3 million cubic yards to be removed between Brewerton Channel and Worton Point and to be deposited on Brewerton North and Worton Point Disposal Areas.
- (2) 6 million cubic yards to be removed between Worton Point and Grove Point and to be deposited on Worton Point, Shad Battery and Sassafras Disposal Areas.
- (3) 12 million cubic yards to be removed between Grove Point and Welch Point and to be deposited part on shore and part on the Sassafras Disposal Area.
- (4) 14 million cubic yards to be removed between Welch Point and the Delaware line, all to be deposited on shore.

Mr. McGurk advised the group that the disposal of any additional dredged material on the Western shore or elsewhere on land would add to the cost and deplete more rapidly the funds available for the project.

Mr. Beaven called attention to the area off the Kent County shore. This area once produced large quantities of oysters but in recent years production has declined. Mr. Beaven thought that the remaining oyster population would be damaged by any further deposition of navigation spoils and that this damage would be due to lowering the salinity rather than to silt.

Mr. Wallace observed that that portion of the Chesapeake Bay above Pooles Island is a spawning ground and nursery ground of most of the fish caught in the Chesapeake Bay, and urged that nothing be done to change the ecology of this area. He pointed out that Pooles Island and the adjacent submerged land is now barren and under Federal control. He urged that the additional cost of transporting navigation spoils to such areas as Pooles Island is justified.

The Chairman observed that Maryland is not concerned with the affect of additional navigation spoils in the vicinity of Welch Point, the mouth of Sassafraz River and Still Pond. He suggested that the U. S. Fish and Wildlife Service, the Corps of Engineers and State agencies give further consideration to this subject, and with the general assent of those present, the Chairman appointed the following committee to make further studies:

Mr. Collins, Chairman
Mr. Kaylor
Mr. Vaughn
Mr. Beaven

4. Sand and Gravel in the Potomac River. The Agendum referred to the application of the Potomac Sand and Gravel Company for a mineral lease authorizing the Company to remove sand and gravel from approximately 1,500 acres surrounding Craney Island in the Potomac River as shown on the attached map. At the request of the Chairman, the Secretary explained as follows the laws governing the removal of sand and gravel from the waters of the State.

By common law, land covered by navigable waters belongs to the State. In 1880 the General Assembly passed an act which allows a riparian owner on any stream to remove sand and gravel or other bottom material from the adjacent stream, or to contract with any other individual or corporation for the removal of such bottom material. Under this act, riparian owners on the Maryland side of the Potomac River have sold or leased sand and gravel deposits in the bed of the Potomac River to corporations. In some instances corporations have purchased or acquired otherwise narrow strips of riparian land which gives these corporations access to material in the river.

In 1957 the General Assembly amended the act to deny riparian owners in Virginia any right to sand and gravel in the Potomac River and to reassert State ownership of sand and gravel on the Virginia side of the channel. With the passage of this act it became mandatory for sand and gravel companies operating on the Virginia side of the channel to obtain a mineral lease from Maryland and to pay Maryland a royalty on the sand and gravel removed from the area covered by the lease.

Craney Island lies on the Virginia side of the Potomac River, and to remove sand and gravel from this area will require a lease and a payment of royalty to the State. Accordingly, the Potomac Sand and Gravel Company has applied for a lease on the area shown on the attached map. Terms of the lease proposed by the Company may be summarized as follows:

- (a) An exclusive lease of the area for twenty years.
- (b) The lessee to pay the State \$100 annually and 3¢ per short ton royalty on all sand and gravel removed, the \$100 annual fee to be credited to the royalties each year, if any.
- (c) The Company to save the State harmless from any damages which may result from its operations.

After discussing these terms with the Director of the Department of Geology, Mines and Water Resources, the Secretary had proposed a lease more favorable to the State and described briefly in the proposal attached to these Minutes.

The terms proposed by the Secretary prompted questions on why a lease of this character is not required for the removal of sand and gravel from all waters of the State. The Secretary explained that the sand and gravel operators and riparian owners have vigorously opposed any change in the existing statutes which make each riparian owner the owner of any sand and gravel in the adjacent stream.

There was considerable discussion on the royalties suggested in the proposed lease, but after discussing royalties based on the cubic yard basis as compared to the short ton, it was agreed that the royalty of 4½ per cent of the market value of sand and gravel is adequate. Accordingly, Mr. Kaylor moved --

That the terms of the proposed lease be adopted for a ten-year period and sent to the Board of Public Works as the recommendation of this Board.
Motion seconded. Motion passed.

5. Crab Regulation VII. The Chairman distributed amended crab regulation VII attached to these Minutes and explained that the amendment provides for a restriction which was contemplated, but which was not included, in the original text adopted in June 1960. It was moved by Dr. Bamford --

That amended Regulation VII be accepted.
Motion seconded. Motion passed.

6. The Fishway at Little Falls. Early July the Board received a report from the U. S. Fish and Wildlife Service on the operation of the fishway at the Little Falls dam for the 1962 spawning season. The report states that "the fishway is functional and will pass anadromous species." The report also proposed certain measures to increase fish runs and fish spawning in the Potomac River above Little Falls. In the absence of Doctor Cronin it was suggested that consideration of the report and the proposals of the U. S. Fish and Wildlife Service be deferred until the next meeting.

7. Report of the Water Resources Committee. Doctor Pritchard distributed copies of a preliminary report of the Water Resources Committee on water administration. The report concluded with four possible approaches to reorganizing water administration in the State. Doctor Pritchard suggested that two courses are open to the Board --

- (1) that the report be accepted or rejected; or
- (2) that the Board choose a course which it wants the committee to pursue and instruct the committee to make a final report based on this course.

After the four possible approaches were read, Doctor Bamford moved --

That the report be accepted. Motion seconded.
Motion passed.

Since the report of the committee had not been studied in detail by each member of the committee, it was suggested that the committee continue its deliberations and arrive at a final report prior to the August meeting. It was then moved --

That the Secretary be instructed to record the intent of the Board to reach its conclusions on water administration at the August meeting and to request the Water Resources Committee to confer between the August and September meetings with other officials and organizations interested in water administration.
Motion seconded. Motion passed.

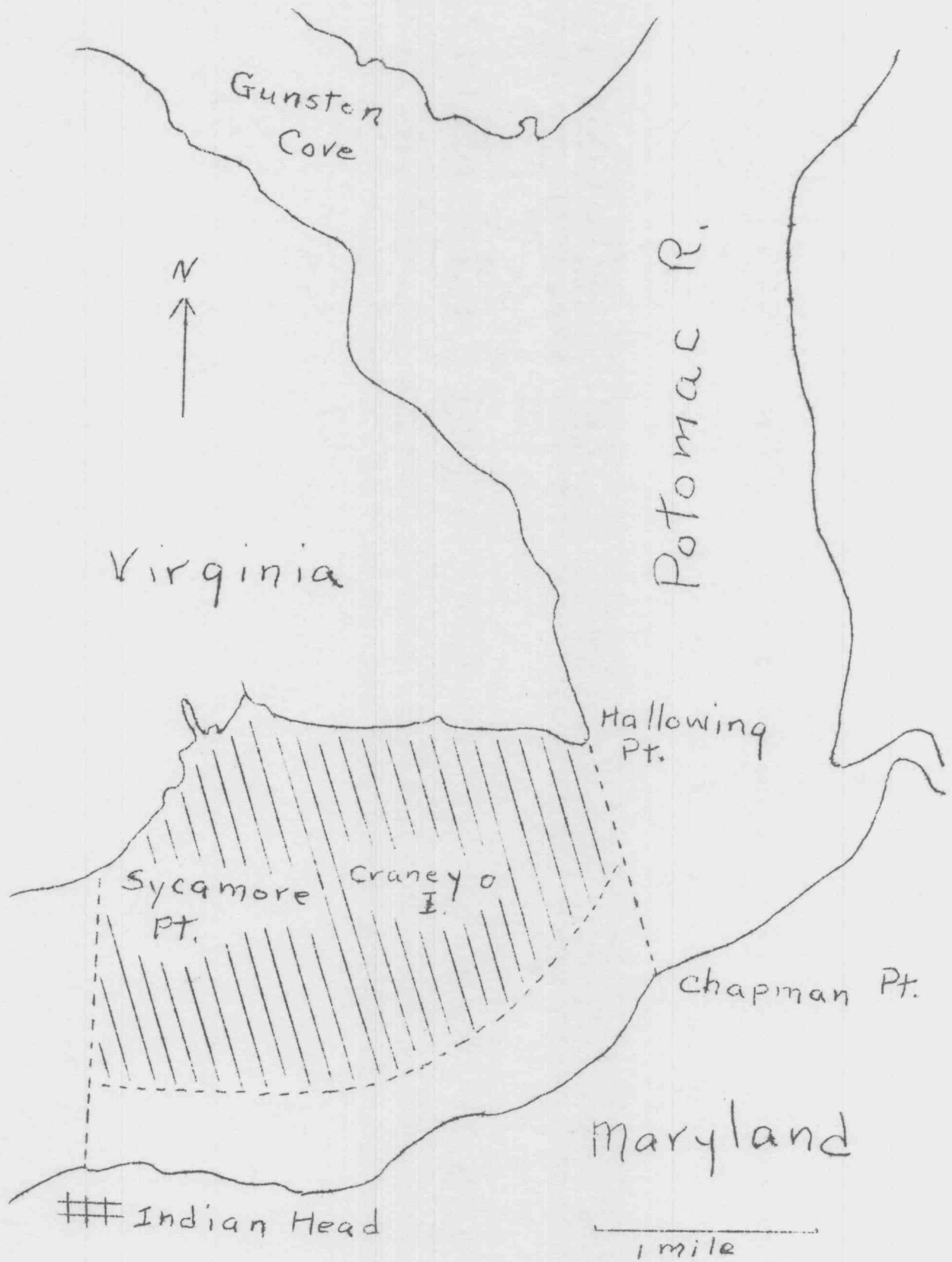
8. Report of the Legislation Committee. In the absence of Mr. Towner, Chairman of the Legislation Committee, Dr. Pritchard reported that the committee has been active and had arrived at certain conclusions on the reorganization of the Board. However, since a reorganization of water administration may entail other changes in the structure and functions of the Board, Dr. Pritchard suggested that this subject be deferred until a later meeting. This suggestion met with general approval.

9. Next Meeting. It was agreed at the June meeting that the August meeting should be held on Monday, August 27. In discussing plans for this meeting it developed that Dr. Pritchard and Dr. Bamford had conflicting engagements on August 27. Accordingly, it was agreed that the Board should meet next in Annapolis on Monday, August 20. Meeting adjourned at 12:05 P.M.

At the time of adjournment the Governor Tawes was in the vicinity of Hart Island where the oyster shell dredge and shell barges were under observation. Luncheon was provided on board and the Governor Tawes returned to Annapolis, arriving at 3:15 P.M.

Respectfully submitted,

William H. Bayliff
Executive Secretary



Gunster
Cove



Virginia

Potomac R.

Hallowing
Pt.

Sycamore
Pt.

Craney I.

Chapman Pt.

Maryland

Indian Head

1 mile

Application of the Potomac Sand and Gravel Company
for a Mineral Lease on the Virginia side
of the channel in the Potomac River

That the Board of Natural Resources recommend to the Board of Public Works that the State offer the Potomac Sand and Gravel Company a 10-year lease (or alternatively a 20-year lease) which will authorize the Company to remove sand and gravel only from the bed of the Potomac River in the area bounded on the north by the Maryland-Virginia line, on the east by a line drawn between Hallowing Point and Chapman Point, on the south by the main channel of the Potomac River and on the west by a line drawn from Sycamore Point to the town of Indianhead; and that the lease contain the following additional conditions:

(a) On or before July 1 each year the Company shall pay to the State a royalty of $4\frac{1}{2}$ per cent of the value of each short ton of sand and (or) gravel removed from the lease during the preceding calendar year, the royalty to be computed on the average value of Maryland sand and gravel as published in the Minerals Yearbook of the U. S. Bureau of Mines.

(b) That any year in which the royalty due the State falls short of \$1,000 the Company shall pay the State a minimum fee of \$1,000 in lieu of calculated royalties.

(c) That the Company keep clear and accurate records of sand and gravel removed from the area under lease and that these records be subject to inspection by the State at any time.

(d) That all structures, equipment and operations on the lease be approved by the Corps of Engineers of the U. S. Army.

(e) That the Company agree to carry on its operations in a workman-like manner and that the Company save the State harmless from any injury or damage done to private property.

(f) That a draft of the proposed lease be submitted to the Director of the Department of Geology, Mines and Water Resources with a request for suggestions on terms and conditions proposed in the lease.

Maryland
BOARD OF NATURAL RESOURCES
State Office Building
Annapolis

AGENDUM

185th Meeting
July 23, 1962

1. Minutes of Previous Meetings. In the absence of a quorum at the meeting on June 10 and 11, no action was taken to approve or correct the Minutes of the 183rd meeting held on May 13-14. It is suggested that the Minutes of the May meeting be corrected or approved. Though the meeting of June 10-11 lacked a quorum, brief Minutes of the meeting have been distributed by mail. The Board may wish to "legalize" these Minutes of the 184th meeting.
2. Board Membership. Governor Tawes has appointed G. Francis Beaven to fill out the unexpired term of Edward R. Grimes. Mr. Beaven has been in charge of the oyster research program of the Department of Research and Education and the Natural Resources Institute for more than twenty years. Governor Tawes has also renewed the appointment of Doctor Bamford and Mr. Towner, and the membership of the Board is again complete.
3. Disposal of Navigation Spoils, Chesapeake and Delaware Canal. Improvements in the Chesapeake and Delaware Canal are now in progress. These improvements require the disposal of large quantities of bottom material either on shore or on submerged areas where navigation will not be impeded. Charts and other information on the Chesapeake and Delaware Canal project will be supplied by the Maryland Port Authority, the Corps of Engineers and State and Federal conservation agencies. The problem is to determine the most practicable procedures and areas for the disposal of material removed from the Chesapeake and Delaware Canal.
4. Sand and Gravel in the Potomac River. The Potomac Sand and Gravel Company owns and pays taxes on Craney Island which is situated on the Virginia side of the channel in the Potomac River in Charles County. The Company has asked the State for a mineral lease on approximately 1,500 acres of submerged land surrounding Craney Island. The terms of the lease proposed by the Company are briefly as follows:
 - (a) An exclusive lease of the area for twenty years.
 - (b) The lessee to pay the State \$100 annually and 3¢ per short ton royalty on all sand and gravel removed, the \$100 annual fee to be credited to the royalties each year, if any.
 - (c) The Company to save the State harmless from any damages which may result from its operations.

Such leases are made on behalf of the State by the Board of Public Works which has requested the advice of the Board of Natural Resources. Enclosed is a page containing proposed recommendations from the Board of Public Works. The following comments on the terms of the lease appear relevant:

- (a) The average value per ton of Maryland sand and gravel in 1959 was \$1.29.
- (b) The value of sand and gravel may fluctuate widely during the next twenty years, and it is suggested that the royalties be determined by the current market price rather than by a rate fixed for twenty years.
- (c) Under the terms of the proposed lease, the lessee, by failing to exercise his rights, could tie up sand and gravel deposits for twenty years with no return to the State except the annual fee.
- (d) The terms of the proposed lease contain no conditions on depth of water, distance from shore, season, or other restrictions to protect the non-mineral resources of the river.

The application has been pending for some time and it is suggested that the Board arrive at some conclusion on the subject.

5. Crab Regulations. The Department of Tidewater Fisheries requests approval or disapproval of the crab regulation enclosed.

6. The Fishway at Little Falls Dam. In early July the Board received from the U. S. Fish and Wildlife Service a report on the operation of the fishway at Little Falls for the spawning season of 1962. The report states that "the fishway is functional and will pass anadromous species," though the fishway was used in 1962 by resident species only. The Board will be interested in proposals of the U. S. Fish and Wildlife Service for encouraging the use of the fishway by migratory species.

7. Water Resources. The reactivated Water Resources Committee met on July 2 and proposes to meet again on July 20 to draft recommendations to be submitted to the Board on the 23rd.

8. Legislation Committee. The Legislation Committee has been active and may have at least preliminary proposals to make to the Board on the 23rd.

9. Next Meeting. At the 184th meeting on June 10-11, the Board proposed to hold its 186th meeting on August 27 in the office of the Board and that Governor Tawes be urged to join the Board on that date.

William H. Bayliff
Executive Secretary

July 18, 1962

CRABBING REGULATION VII

In accordance with Sections 328 and 329 of Article 66C of the Annotated Code of Maryland, the Department of Tidewater Fisheries having advertised and held a public hearing to determine the merits of permitting crab traps or pounds to be set in the waters of and adjacent to Smith Island, Somerset County, hereby adopts and approves the following regulation to become effective July 27, 1962:

"REGULATION NO. VII

It shall be lawful to catch and take crabs by means of wire traps or pounds in Tyler Creek southward of the overhead power cable at Tylerton and in Tangier Sound southward of the southeast entrance of Big Thorofare, provided no such trap or pound is set nearer to another than 100 yards. Each such trap or pound must be clearly identified by a marker showing the name and address of the owner in letters no smaller than 2 inches in height. No crabber shall set more than four traps.

Any person violating the provisions of this Regulation shall be guilty of a misdemeanor and upon conviction before any justice of the peace qualified to try the same, or before any court of appeal, shall be fined not less than \$10.00 nor more than \$25.00.

Any crab trap or pound found in the water in violation of the provisions of this regulation may be seized and held for evidence by the officers of the Department of Tidewater Fisheries."

DEPARTMENT OF TIDEWATER FISHERIES

By: Joseph H. Manning,
Director

Maryland

BOARD OF NATURAL RESOURCES
State Office Building
Annapolis

185th Meeting
July 23, 1962

Board of Natural Resources

Joseph H. Manning, Chairman
Ronald Bamford, Vice-Chairman
G. Francis Beaven
Myron L. Bloom
Richard H. Collins
David Hume
Donald W. Pritchard
George W. Todd
Lester N. Towner
Ernest A. Vaughn
Turbit Slaughter (for Dr. Singewald)
Joseph H. Kaylor
L. Eugene Cronin
Paul W. McKee
William H. Bayliff, Executive Secretary
Alberta L. Turner

David H. Wallace, Chairman, Commission to Study Disposal
of Dredged Material from Baltimore Harbor
C. E. McGurk, U. S. Corps of Engineers, Philadelphia District
Carl C. Cable, U. S. Corps of Engineers, Philadelphia District
Robert K. Franz, Branch of River Basin Studies,
U. S. Fish and Wildlife Service
John C. Widener, Hydrographic Engineer,
Department of Tidewater Fisheries
Dr. Walter C. Boyer, Director of Engineering,
Maryland Port Authority
Andrew Heubeck, Jr., Secretary, Board of Public Works
Tom Seppy, Associated Press

MEMBER AGENCIES

DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE,
UNIVERSITY OF MARYLAND



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

August 14, 1962

MEMBERS

JOSEPH H. MANNING, CHAIRMAN
RONALD BANFORD, VICE-CHAIRMAN
MYRON L. BLOOM
RICHARD H. COLLINS
L. EUGENE CRONIN
EDWARD R. GRIMES
DAVID HUME
JOSEPH F. KAYLOR
PAUL W. MCKEE
DONALD W. PRITCHARD
JOSEPH T. SINGEWALD, JR.
GEORGE W. TODD
LESTER N. TOWNER
ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

Potomac Sand and Gravel Co.

Andrew Heubeck, Jr., Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

In reply to your letter of August 13, I am sure that the lease we discussed on April 13 is that proposed in the recommendations approved by the Board of Natural Resources on July 23. Attached hereto are 5 extra copies of the recommendations of this Board.

The second paragraph of your letter of August 13 asks whether a new lease containing the recommendations of the Board of Natural Resources should be drafted at a later date. The lease which we have proposed in the enclosed recommendations is only a general outline. When these general terms are accepted, it is assumed that the Attorney General, with the advice of the Board of Public Works, will draft a final lease containing the terminology and the minor provisions common to such instruments.

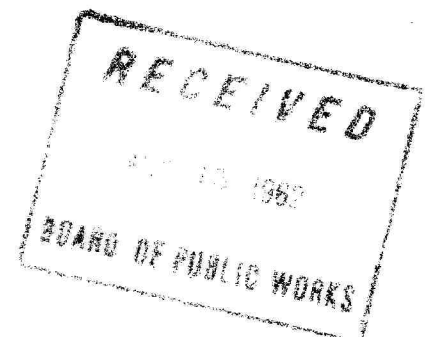
Very truly yours,

Wm. H. Bayliff

William H. Bayliff
Executive Secretary

WHB:alt
enc.

Spring 1963



August 13, 1962

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

Thank you for your letter of August 9th relative to the possibility of the State opening the sand and gravel deposits in the vicinity of Craney Island to public bidding.

It is noted that your Board, at its meeting of July 23, 1962, reviewed a proposed lease with the Potomac Sand and Gravel Company for the removal of sand and gravel. Will you let me know if this is the same lease you discussed with the writer on April 13th. Or would a new draft of a lease be submitted for consideration at a later date, in line with the recommendations of your Board?

It will be appreciated if I may have five (5) extra copies of the recommendations of your Board, attached to your letter of July 31st, for submission to the members of the Board of Public Works prior to our next meeting.

Very truly yours,

Secretary.

mb/

MEMBER AGENCIES

DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE,
UNIVERSITY OF MARYLAND



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

August 9, 1962

MEMBERS

JOSEPH H. MANNING, CHAIRMAN
RONALD BAMFORD, VICE-CHAIRMAN
MYRON L. BLOOM
RICHARD H. COLLINS
L. EUGENE CRONIN
EDWARD R. GRIMES
DAVID HUME
JOSEPH F. KAYLOR
PAUL W. MCKEE
DONALD W. PRITCHARD
JOSEPH T. SINGEWALD, JR.
GEORGE W. TODD
LESTER N. TOWNER
ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

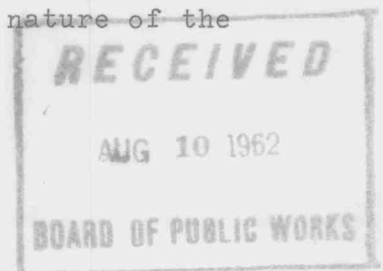
Andrew Heubeck, Jr., Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

This will reply to your letter of August 2 suggesting that the State open the sand and gravel deposits in the vicinity of Craney Island to public bidding. If this is preferable to a negotiated contract with a single corporation, I am sure we can arrive at a plan for requesting bids. However, the following circumstances may make public bids on the sand and gravel in the vicinity of Craney Island inadvisable.

The Potomac Sand and Gravel Company owns Craney Island and pays taxes on the island in Charles County. All riparian owners on the Maryland side of the Potomac River have access to free sand and gravel to the main channel (Art. 27, Sec. 485). The Company feels, or pretends to feel, that ownership of Craney Island should give the Company access to free sand and gravel surrounding the island. In other words, the Company feels that a Maryland tax payer owning an island in the Potomac River should enjoy the same privileges as the riparian owner on the Maryland shore, and that the State cannot legally compel the Company to pay a royalty on sand and gravel surrounding Craney Island which the Company owns. However, to avoid litigation, the Company is willing to pay a royalty on the sand and gravel surrounding its property. It is probable however, that the Company would enter litigation rather than permit any other individual or firm to exploit the sand and gravel surrounding Craney Island.

Prior to the 1957 amendment to Sec. 485 of Art. 27, riparian owners in Virginia brought suit in the Federal District Court in Baltimore against the Smoot Sand and Gravel Company (predecessors of the Potomac Sand and Gravel Company). The plaintiffs claimed, as riparian owners, that they were entitled to compensation or damages for the sand and gravel removed from the Virginia side of the Potomac River. The court held for the defendant but the case was appealed to the Circuit Court of Appeals in Richmond. The appellate court held for the plaintiffs and ordered the case retried in the Baltimore court to determine the damages. After the case was returned to Baltimore, I talked several times to E. Clinton Bamberger and Lawrence I. Weisman, counsel respectively for the defendant and the plaintiffs. The case was settled out of court and neither counsel for the defendant or for the plaintiffs would reveal the nature of the



Andrew Heubeck, Jr.

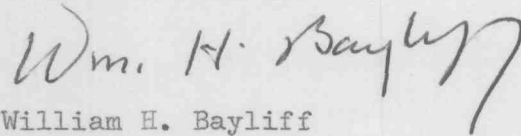
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August 9, 1962

settlement. It is clear, however, that the Virginia riparian owners established an interest in the sand and gravel on the Virginia side of the Potomac River. The 1957 amendment to Art. 27, Sec. 485 is intended to deny riparian owners in Virginia any rights in the sand and gravel in the Potomac River. It has been claimed that this 1957 amendment violates Art. IV, Sec. 2 of the Federal Constitution which states that the "citizens of each state shall be entitled to all the privileges and immunities of the citizens of the several states." I have no opinion on whether Art. 27, Sec. 485, as amended, is constitutional.

In view of the ownership of Craney Island, its position in the Potomac and the questions raised on the validity of the Maryland act pertaining to sand and gravel in the Potomac, it would seem to be preferable to negotiate a contract with the owners of Craney Island for the removal of sand and gravel in that area. However, if the Board of Public Works prefers to dispose of sand and gravel by bids, please let me know and we shall suggest a procedure for advertising this fact.

Very truly yours,



William H. Bayliff
Executive Secretary

WHB:alt

August 2, 1962

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

Thank you for your letter of July 31, 1962 in connection with the application of the Potomac Sand and Gravel Company for a license to dredge sand and gravel from the Virginia side of the Potomac River.

I have discussed this proposal with the Comptroller, and I intend to see that each member of the Board is furnished with a copy of the proposals which were approved by the Board of Natural Resources. However, the Comptroller feels that the possibility of a public offering and public bids should be considered before the Board of Public Works is asked to approve what amounts to a negotiated contract. I will appreciate it if you will explore this possibility and let me have a report which I can make available to the members of the Board of Public Works.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es

cc- Governor Tawes
Mr. McCain
Mr. Goldstein
Mr. Miles.

MEMBER AGENCIES
DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE,
UNIVERSITY OF MARYLAND



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

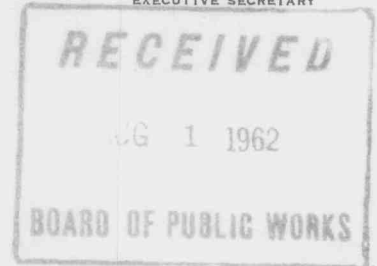
MEMBERS

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ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

July 31, 1962

Andrew Heubeck, Jr., Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland



Dear Mr. Heubeck:

Late in 1961 the Potomac Sand and Gravel Company, 3020 K Street N.W., Washington 7, D. C., applied to the U. S. Corps of Engineers for a permit to remove sand and gravel from the bed of the Potomac River in the vicinity of Craney Island in Charles County. When this application came to the attention of the Board of Natural Resources the Board advised the Potomac Sand and Gravel Company that Section 485 of Article 27 would require a mineral lease issued by the Board of Public Works and the payment of a royalty to the State of Maryland on all material removed from the lease. An opinion of the Attorney General dated January 22, 1962 and addressed to the Secretary of the Board of Public Works confirmed the views of the Board of Natural Resources.

Subsequently, representatives of the Potomac Sand and Gravel Company visited the office of the Board of Natural Resources and made oral application for a sand and gravel lease on the area surrounding Craney Island. The Company filed with the Board a map showing the area in question and copies of an agreement proposing terms for a 20-year lease.

At the suggestion of the Board of Public Works, the Board of Natural Resources at its meeting on July 23 reviewed the lease proposed by the Potomac Sand and Gravel Company. The conclusions of the Board are set forth in the recommendations attached to this letter. These recommendations are also contained in the Minutes of the Board of Natural Resources for July 23, 1962.

It is assumed that representatives of the Potomac Sand and Gravel Company will wish to discuss further with the Board of Public Works the terms of the lease recommended by the Board of Natural Resources. Please let us know if we can supply any additional information to the Board of Public Works.

Very truly yours,
Wm. H. Bayliff
William H. Bayliff
Executive Secretary

WHB:alt
enc.

*Adm. Serv. +
Solic. Bkts
Board harmful comments*

Suchito Camp

Application of the Potomac Sand and Gravel Company
for a Mineral Lease on the Virginia side
of the channel in the Potomac River

That the Board of Natural Resources recommend to the Board of Public Works that the State offer the Potomac Sand and Gravel Company a 10-year lease (or alternatively a 20-year lease) which will authorize the Company to remove sand and gravel only from the bed of the Potomac River in the area bounded on the north by the Maryland-Virginia line, on the east by a line drawn between Hallowing Point and Chapman Point, on the south by the main channel of the Potomac River and on the west by a line drawn from Sycamore Point to the town of Indianhead; and that the lease contain the following additional conditions:

(a) On or before July 1 each year the Company shall pay to the State a royalty of $4\frac{1}{2}$ per cent of the value of each short ton of sand and (or) gravel removed from the lease during the preceding calendar year, the royalty to be computed on the average value of Maryland sand and gravel as published in the Minerals Yearbook of the U. S. Bureau of Mines.

(b) That any year in which the royalty due the State falls short of \$1,000 the Company shall pay the State a minimum fee of \$1,000 in lieu of calculated royalties.

(c) That the Company keep clear and accurate records of sand and gravel removed from the area under lease and that these records be subject to inspection by the State at any time.

(d) That all structures, equipment and operations on the lease be approved by the Corps of Engineers of the U. S. Army.

(e) That the Company agree to carry on its operations in a workman-like manner and that the Company save the State harmless from any injury or damage done to private property.

(f) That a draft of the proposed lease be submitted to the Director of the Department of Geology, Mines and Water Resources with a request for suggestions on terms and conditions proposed in the lease.

(9)

ask law dept to draw contract

7-23-62

POTOMAC SAND AND GRAVEL COMPANY

3020 K STREET, N.W., WASHINGTON 7, D.C.

FE 3-2044

September 13, 1962

9/25/62
suggest they write
they will write
I will have contract drawn.
then meet with them for
discuss

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

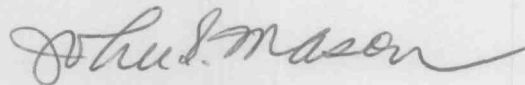
Dear Mr. Heubeck:

Mr. Lloyd and I have been discussing with Mr. Bayliff arrangements for digging sand and gravel from the Potomac River at Craney Island and we are told we should now take this up with the Board of Public Works and yourself.

Could we come and see you on Thursday, September 27th or Wednesday, October 10th, preferably in the morning?

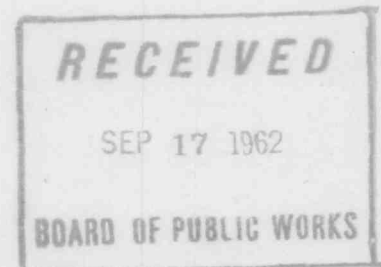
If these times are not convenient, please suggest something different.

Sincerely,



John S. Mason
Secretary

JSM/vrh



POTOMAC SAND AND GRAVEL COMPANY

3020 K STREET, N.W., WASHINGTON 7, D.C.

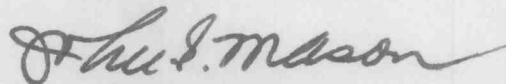
September 27, 1962

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

Referring to our letter of September 13 and your subsequent telephone conversation with Mr. Lloyd, we would like to request a License Agreement to dredge sand and gravel from certain areas in the Potomac River as recommended by the Board of Natural Resources, provided the \$1000 minimum annual fee be carried forward and applied against future royalties.

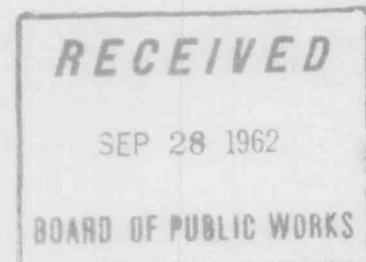
Sincerely,



John S. Mason
Secretary

JSM/vrh

cc - F. J. Lloyd, Jr.



November 29, 1962

Mr. John S. Mason, Secretary
Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington 7, D. C.

Dear Mr. Mason:

Thank you for your letter of November 26, 1962 in connection with the proposed license agreement to dredge sand and gravel from the Potomac River.

We regret the delay in having this agreement prepared, but the State Law Department has been working under such tremendous pressure we just haven't been able to get to it. However, I expect that we will have it completed within the next several weeks.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es

POTOMAC SAND AND GRAVEL COMPANY

3020 K STREET, N.W., WASHINGTON 7, D.C.

November 26, 1962

In re: Proposed License Agreement -
Dredging of Sand and Gravel -
Potomac River

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

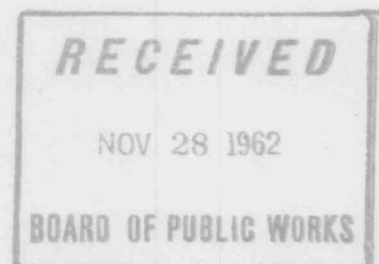
We have had no word since our letter of
September 27th and we were wondering when we might expect this
Agreement.

Sincerely,



John S. Mason
Secretary

JSM/vrh



April 26, 1963

Mr. Robert C. Murphy
Deputy Attorney General
State Law Department
1201 Maryland National Bank Building
10 Light Street
Baltimore 2, Maryland

Dear Mr. Murphy:

Some time ago, the Potomac Sand and Gravel Company, of Washington, D. C., requested a license to dredge sand and gravel from certain areas in the Potomac River, as recommended by the Board of Natural Resources. This matter has previously been discussed with you, and I would appreciate it if you would have a License Agreement drawn for presentation to the Board of Public Works.

For your use in this connection, I enclose:

1. Copy of a property License Agreement between the State of Maryland, and the Company which was rejected by the Board of Public Works.
2. A copy of the recommendations of the Board of Natural Resources as to the terms and conditions which should be included in such a License Agreement to cover the taking of sand and gravel from the Potomac River in the area indicated on the Plat attached to the recommendations of the Board of Natural Resources.
3. Copy of a letter dated August 9, 1962, received from the Executive Secretary of the Board of Natural Resources, relating to such a License Agreement, as well as copy of letter dated August 14, 1962, from the same agency.

If there is any further information you may desire, I will be glad to have you call me.

Thank you for your cooperation.

Very truly yours,

Secretary

MB/jm

THOMAS B. FINAN
ATTORNEY GENERAL



Robert C. Murphy

— JOSEPH S. KAUFMAN
DEPUTY ATTORNEY GENERAL

STATE OF MARYLAND
STATE LAW DEPARTMENT

10 LIGHT STREET

BALTIMORE 2, MD.

May 23, 1963

Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

I have reviewed your letter of April 26, 1963, together with enclosures, relative to the proposed license to be granted Potomac Sand and Gravel Company of Washington, D.C., to dredge sand and gravel from the Potomac River.

It would appear desirable, before we undertake to draft a license agreement, that we clearly ascertain from Potomac whether or not it will accept the terms and conditions tentatively approved by the State which we propose to incorporate in the license agreement. To this end, I am attaching herewith a photocopy of a document which you forwarded to me, wherein the Board of Natural Resources has made certain recommendations relative to the terms and conditions to be agreed upon in the proposed license agreement. I would appreciate it if you would advise me whether these are agreeable to the Board of Public Works and also to Potomac.

If and when we reach an agreement on all material points, then I think we can prepare the license agreement without any difficulty.

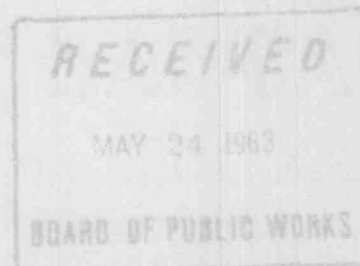
With kindest personal regards, I remain

Sincerely yours,

Robert C. Murphy
Robert C. Murphy
Deputy Attorney General

RCM-h

Encl.



Application of the Potomac Sand and Gravel Company
for a Mineral Lease on the Virginia side
of the channel in the Potomac River

That the Board of Natural Resources recommend to the Board of Public Works that the State offer the Potomac Sand and Gravel Company a 10-year lease (or alternatively a 20-year lease) which will authorize the Company to remove sand and gravel only from the bed of the Potomac River in the area bounded on the north by the Maryland-Virginia line, on the east by a line drawn between Hallowing Point and Chapman Point, on the south by the main channel of the Potomac River and on the west by a line drawn from Sycamore Point to the town of Indianhead; and that the lease contain the following additional conditions:

*Potomac
Sales*

(a) On or before July 1 each year the Company shall pay to the State a royalty of $4\frac{1}{2}$ per cent of the value of each short ton of sand and (or) gravel removed from the lease during the preceding calendar year, the royalty to be computed on the average value of Maryland sand and gravel as published in the Minerals Yearbook of the U. S. Bureau of Mines.

(b) That any year in which the royalty due the State falls short of \$1,000 the Company shall pay the State a minimum fee of \$1,000 in lieu of calculated royalties.

(c) That the Company keep clear and accurate records of sand and gravel removed from the area under lease and that these records be subject to inspection by the State at any time.

(d) That all structures, equipment and operations on the lease be approved by the Corps of Engineers of the U. S. Army.

(e) That the Company agree to carry on its operations in a workman-like manner and that the Company save the State harmless from any injury or damage done to private property.

(f) That a draft of the proposed lease be submitted to the Director of the Department of Geology, Mines and Water Resources with a request for suggestions on terms and conditions proposed in the lease.

C.F. J. Chart
No. 560



May 27, 1963

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

I have today written each member of the Board of Public Works advising them of the situation with respect to the desire of the Potomac Sand and Gravel Co. to take sand and gravel from the Potomac River. If the recommendations of the Board of Natural Resources meet with their approval, and if we receive, through you, assurances from the Potomac Sand and Gravel Company that they will accept the terms, the State Law Department is prepared to draw the necessary License Agreement.

I am sure that the Company is anxious to have this Agreement as soon as possible, and the sooner we can hear from you the sooner we can proceed with the drafting of the Agreement.

Thank you for your cooperation.

Very truly yours,

Secretary.

AH/mb

MEMBER AGENCIES
DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE
UNIVERSITY OF MARYLAND



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

May 28, 1963

MEMBERS
JOSEPH H. MANNING, CHAIRMAN
RONALD BAMFORD, VICE-CHAIRMAN
G. FRANCIS BEAVEN
MYRON L. BLOOM
ERNST CLOOS
RICHARD H. COLLINS
L. EUGENE CRONIN
DAVID HUME
JOSEPH F. KAYLOR
PAUL W. MCKEE
DONALD W. PRITCHARD
GEORGE W. TODD
LESTER N. TOWNER
ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

This will reply to your letter of May 27 relating to the proposed sand and gravel lease of the area adjacent to Craney Island in the Potomac River.

On May 27 I wrote Mr. John S. Mason, Secretary of the Potomac Sand and Gravel Company, suggesting that he advise you in writing that the Company is agreeable to a ten-year lease on the terms (a) to (e), inclusive, as recommended by the Board of Natural Resources to the Board of Public Works. My letter to Mr. Mason suggested that the Company's assent to the terms of the lease at this point would not be binding on the Company but would assist the Attorney General in the preparation of the final papers.

It is assumed that you will hear from Mr. Mason in a few days.

Very truly yours,

William H. Bayliff
William H. Bayliff
Executive Secretary

WHB:alt



May 29, 1963

The Honorable J. Millard Tawes
Governor of Maryland
Annapolis, Maryland

Dear Governor Tawes:

I am enclosing, for your consideration, copies of correspondence from the Board of Natural Resources, relating to the execution of a License Agreement between the State of Maryland and the Potomac Sand and Gravel Company. We have held off bringing this problem before the Board because of the heavy work-load during the recent session of the General Assembly.

Mr. William H. Bayliff, Executive Secretary for the Board of Natural Resources, stated in his letter of August 9, 1962, the Company owns Craney Island and pays taxes on the Island to Charles County. As riparian owners of the Island, the Company feels it has a legal right to free sand and gravel. However, to avoid litigation, they are willing to pay the State a royalty on the sand and gravel, extracted in this area surrounding their property. The Board of Natural Resources, at a meeting on July 23, 1962, set forth certain recommendations to the Board of Public Works to govern a License Agreement for the taking of sand and gravel under the circumstances surrounding the Company's request. If these recommendations, to be incorporated in a License Agreement, meet with your approval, the Attorney General will draw up such an agreement.

I am also inquiring, through the Board of Natural Resources, whether or not the Potomac Sand and Gravel Company will accept these terms. While I have been given to understand, verbally, that they are, I am requesting this assurance in writing.

If this plan meets with your approval, I shall instruct the Law Department to proceed with drafting a License Agreement.

Very truly yours,

Secretary

AH:MB:jm

cc: Mr. McCain

same letter bcto:

Mr. Goldstein
Mr. Luetkemeyer

POTOMAC SAND AND GRAVEL COMPANY

3020 K STREET, N.W., WASHINGTON 7, D.C.

June 5, 1963

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
Annapolis, Maryland

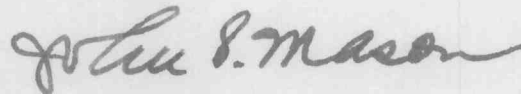
In re: Proposed Lease Agreement -
Dredging of Sand and Gravel -
Potomac River

Dear Mr. Heubeck:

Referring to Mr. Bayliff's letter of May 27 to us, this will confirm that we are agreeable to items (a) to (e) inclusive of the recommendations of the Board of Natural Resources and would be happy to have the Attorney General proceed with the preparation of the lease.

If you need any additional information or we can help in any way please let us know.

Sincerely,

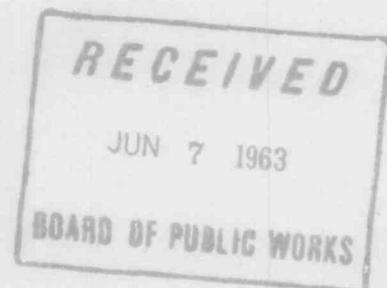


John S. Mason
Secretary

JSM/jmb

cc: Mr. William H. Bayliff
Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

*See the state intake and
management*



BOARD OF PUBLIC WORKS
OF THE STATE OF MARYLAND
SAND AND GRAVEL LEASE

THIS LEASE, made and entered into this _____ day of _____, 196_, between the Board of Public Works for the State of Maryland, hereinafter called the State, party of the first part, and the Potomac Sand and Gravel Company of Washington in the District of Columbia, hereinafter called the Lessee, party of the second part.

WITNESSETH:

WHEREAS the State of Maryland owns the waters and the land thereunder lying within and below the high-water or high-tide marks in that part of Chesapeake Bay and all of its navigable tributaries situate within the State of Maryland;

NOW THEREFORE, the Board of Public Works under and by virtue of Section 15 of Article 78A of the Annotated Code of Maryland (1957 Edition), and in consideration of the sum of one dollar (\$1.00), paid by the party of the second part to the party of the first part, receipt of which is hereby acknowledged, does hereby grant to the Lessee the exclusive right to dredge, mine and take sand and gravel, or either, for commercial purposes under terms hereinafter set forth from that area of the bed of the Potomac River, to-wit:

MT. VERNON

Beginning at a point in the U. S. Geological Survey Grid System, the plane coordinates of which are $x=2,402,819.65$ and $y=379,760.66$, which point lies in the Potomac River on a line perpendicular to the main channel of said river from the point where the easternmost boundary of the property of A. B. Wickes intersects the high tide line on the north shore of said river; thence S $45^{\circ} 50' W$, 2190 feet; thence S $42^{\circ} 20' W$, 1125 feet; thence S $16^{\circ} 40' E$, 890 feet; thence N $73^{\circ} 20' E$, 2915 feet; thence N $16^{\circ} 40' W$, 2475 feet; to the point of beginning

; and further described on the map affixed hereto which is a part of this Lease.

THIS LEASE is granted upon the following terms and conditions:

1. This Lease shall be and remain in effect for a period of three (3) years from _____ to _____, inclusive, unless cancelled as provided by Item 13, or Item 14, or Item 15 hereinafter set forth.

2. The Lessee shall execute to the State within forty-five (45) days of the signing of this Lease a performance bond in the amount of one thousand dollars (\$1,000) with a surety company authorized to do business in the State of Maryland conditioned upon faithfully and diligently performing and observing all the obligations and conditions imposed herein.

3. All structures, equipment and operations of the Lessee shall comply with all rules and regulations of the Corps of Engineers of the U. S. Army.

4. The Lessee shall carry on all operations in a workmanlike manner. All dredges, barges, vessels, conduits, flumes, engines, and all other gear and equipment used by the Lessee in, upon or across the area included within this Lease or elsewhere on or in the Potomac River shall be subject to inspection by the State or its agents at all reasonable hours.

5. The Lessee shall save the State harmless against all liability, costs and expenses which may result from the operations of the Lessee.

6. In washing, grading, separating or other treatment of sand and gravel, or either, the water which enters the Potomac River or its tributaries as an effluent from any barge, dredge or other structure operated by the Lessee shall comply with all water quality standards established by law or regulation on the effective date of this Lease.

7. The Lessee shall not endanger any water line, sewer line, bridge or other public property and it shall be the obligation of the Lessee to

determine the location of all such structures.

8. The Lessee shall not dredge in or on, nor otherwise disturb the bed of the Potomac River within 1,000 feet of the Maryland-Virginia boundary

9. The Lessee shall keep clear, accurate and complete records on forms provided by the State, of all merchantable sand and gravel, or either, removed from the area covered in this lease. All account books, bills of lading, invoices, memoranda, and other records shall be subject to inspection by the State at all times.

10. All depots, warehouses, storehouses or other storage areas or facilities used by the Lessee in the State of Maryland or elsewhere for storing or collecting sand and gravel, or either, taken from the area included in this Lease shall be open to inspection by the State or its agents at all reasonable hours.

11. On or before January 15, April 15, July 15, and October 15 of each year the Lessee shall submit a statement on forms provided by the State, and duly sworn to, showing the number of short tons of merchantable sand and gravel, or either, removed during the three preceding calendar months from the area covered by this Lease. Each such statement shall be accompanied by the payment to the State of a royalty in the amount of _____ cents for each and every short ton of merchantable sand and gravel, or either, shown in the statement. In any such period of three calendar months in which the royalties due the State fall short of \$250 the Lessee shall pay the State \$250 in lieu of royalties.

12. The State and all its agents and employees shall treat all records of the Lessee as confidential and shall not publish or otherwise reveal the transactions of the Lessee except in the case of a bona fide dispute between the parties to this Lease.

13. Any failure or refusal of the Lessee to comply with any of the terms or conditions of this Lease shall be sufficient cause for the State to cancel this Lease upon ten (10) days written notice. Such cancellation shall not prejudice any right, claim or remedy of either party with respect to any breach of any of the terms or conditions of this Lease occurring prior to cancellation.

14. The Lessee may cancel this Lease at any time by giving the State thirty (30) days written notice, and by paying the State any royalties or other payments due the State upon the date of cancellation. Such cancellation of this Lease by the Lessee shall not prejudice any right, claim or remedy of either party with respect to any breach of any of the terms or conditions of this Lease occurring prior to cancellation.

15. If the Lessee, during any continuous twelve-month period, fails to exercise the rights herein granted and fails bona fide to remove sand or either and gravel, for commercial purposes from the area covered by this Lease, the State may, in its discretion, cancel this Lease upon thirty days written notice. Such cancellation by the State shall not prejudice any right, claim or remedy of either party with respect to any breach of any of the terms or conditions of this lease occurring prior to such cancellation.

16. All additions, amendments, or modifications of this Lease shall be null, void, and of no effect unless in writing signed by legally authorized agents or officials of the parties to this Lease.

17. This Lease may not be assigned or conveyed to any person, firm or corporation, in whole or in part, without the written assent of the State.

WITNESSETH FURTHER:

THAT the Lessee does hereby accept this Lease upon the terms and conditions herein specified and set forth and does hereby promise and agree to live up to, observe, and abide by all the terms and conditions herein and to make full accounting and payments as provided for in this instrument.

IN WITNESS WHEREOF the Board of Public Works of the State of Maryland have hereunto set their hands and affixed their seals and have caused the Seal of the State of Maryland to be hereunto affixed, and the President and the Secretary of the said Potomac Sand and Gravel Company have hereunto subscribed their names and affixed their seals, all on the day and year first above written.

Governor

State Comptroller

State Treasurer

,President
Potomac Sand and Gravel Company, Lessee

,Secretary
Potomac Sand and Gravel Company, Lessee

July 3, 1963

POTOMAC SAND AND GRAVEL

The Secty. brought to the attention of the Board correspondence which had previously been forwarded to each member relating to the request of the Potomac Sand and Gravel Company for a License Agreement with the State of Maryland.

The recommendations of the Board of Natural Resources, included in the Minutes of that body for July 23, 1962, were in a general outline and provide for a ten(10) or twenty (20) year lease which, under certain circumstances, ~~would~~ would provide for a royalty of $4\frac{1}{2}$ ~~per~~ per cent of the value of each short tone of sand and (or) gravel removed, and would authorize the company to remove sand and gravel from the bed of the Potomac River.

In discussing the proposed License Agreement, the Board was concerned with whether or not such a License Agreement would place the State in the position of becoming a party to a suit similar to that which was argued by the Smooth Sand and Gravel Company and certain riparian owners in Virginia.

The Board, without taking any specific action on the recommendations of the Board of Natural Resources, requested the Secty. to contact the Attorney General and request his advice as to what the State's position would be if such a License Agreement were executed.

July 10, 1963

Mr. John S. Mason, Secretary
Potomac Sand and Gravel Company
3020 K Street, N.W.
Washington-7, D.C.

Dear Mr. Mason:

The Board of Public Works, at its meeting of July 3, 1963, considered your request and the recommendations of the Board of Natural Resources for the Board of Public Works to authorize the Attorney General to prepare a License Agreement wherein you will take sand and gravel from the Potomac River.

While the Board of Public Works did not take exception to the terms and conditions recommended by the Board of Natural Resources and agreed to by your company, the Attorney General has been asked to advise whether or not there is a possibility that the State might become party to a suit in the event that anyone should take exception to such an Agreement. We expect to hear from the Attorney General very shortly and in the event that his advice is favorable, he will be instructed to prepare the License Agreement as agreed.

Very truly yours,

Secretary.

AH/mb

cc- Mr. Bayliff.

July 10, 1963

Mr. Robert C. Murphy, Deputy Attorney General
The State Law Department
1201 Maryland National Bank Building
Baltimore, Maryland

Dear Mr. Murphy:

Reference is made to your letter of May 23rd, at which time you returned to us the information with respect to the proposed License to be granted Potomac Sand and Gravel Company of Washington, D.C., to dredge sand and gravel from the Potomac River.

The Company, by letter dated June 5th, has advised that they are agreeable to items (a) to (e) inclusive of the recommendations of the Board of Natural Resources and will be happy to have the Attorney General proceed with the preparation of the lease.

The Board of Public Works, at its meeting of July 3, 1963, considered the recommendations of the Board of Natural Resources for the terms and conditions of the License Agreement, and while the Board did not take exception to these terms and conditions, the members did express concern as to whether or not such a License Agreement would place the State in the position of becoming a party to a suit similar to that which was argued by the Smoot Sand and Gravel Company and certain riparian owners in Virginia. You will recall that this suit was brought in the Federal District Court in Baltimore against the Smoot Sand and Gravel Company.

The Plaintiffs claimed that as riparian owners they are entitled to compensation or damages for the sand and gravel removed from the Virginia side of the Potomac River. The Court held for the Defendants, but the case was appealed to the Court of Appeals in Richmond, Virginia. That Court held for the Plaintiffs and ordered the case to be re-tried in the Baltimore Court to determine the damages. Subsequently, the case was settled out of Court and neither counsel (E. Clinton Bamberger and Lawrence I. Weisman) has been willing to reveal the nature of the settlement.

Although I personally believe, from the information available, that the Potomac Sand and Gravel Company are the riparian owners on the Virginia side of the Potomac River, the Board of Public Works would like to be advised by you if the State, in granting such a license, would be in danger of becoming party to possible litigation.

Very truly yours,

Misc.

July 22, 1963

Mr. Robert C. Murphy
Deputy Attorney General
State Law Department
1201 Maryland National Bank Building
Baltimore 2, Maryland

Dear Mr. Murphy:

This will acknowledge receipt of your letter of July 18, 1963 advising us as to the State's participation with respect to the granting of a license to the Potomac Sand and Gravel Company for dredging and taking sand and gravel from the bed of the Potomac River.

This information will be made available to the members of the Board of Public Works and I am sure they will be governed accordingly.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

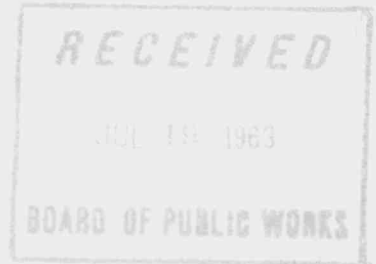
AH:es

THOMAS B. FINAN
ATTORNEY GENERAL

ROBERT C. MURPHY
DEPUTY ATTORNEY GENERAL



STATE OF MARYLAND
STATE LAW DEPARTMENT
10 LIGHT STREET
BALTIMORE 2, MD.
July 18, 1963



Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

I have received your letter of July 10, 1963 relating to the proposed license to Potomac Sand and Gravel Company to dredge sand and gravel from the bed of the Potomac River on the Virginia side of the channel in the vicinity of Craney Island. You have previously asked our opinion whether Potomac Sand and Gravel Company, as the owner of Craney Island, possessed riparian rights under Article 27, Section 485 of the Maryland Code (1957 Edition) to dredge for sand and gravel in the immediate vicinity of the island without a license from the Board of Public Works. Our letter of January 22, 1962 from Mr. Joseph S. Kaufman, then Deputy Attorney General, to your office, advised that Potomac Sand and Gravel Company enjoyed no such riparian rights as owners of Craney Island and that in order to dredge for sand and gravel on the Virginia side of the channel, a license from the Board for an adequate consideration in money was required.

You now inform us that Potomac Sand and Gravel Company is willing to enter into a license agreement with the State under which it would be required to pay royalties for the sand and gravel taken out of the river in the described area. You request advice as to whether the Board of Public Works, in granting such a license to Potomac to dredge on the Virginia side of the channel, could subject the State to litigation such as was involved in the case of Bostick v. Smoot Sand and Gravel Corporation, 154 F. Supp. 744, (D.C. Md. 1957), 260 F.2d 534 (4 Cir. 1958).

While it is impossible to forecast that the State will not be involved in litigation brought by Virginia riparian owners over its granting a license to Potomac to dredge on the Virginia side of the channel, we can say with some degree of confidence that it is not likely that any suit involving the

Mr. Andrew Heubeck, Jr.

Page - 2 -

July 18, 1963

State could be successful.

The Smoot case involved a suit brought by Virginia landowners against the Smoot Sand and Gravel Company for the taking by Smoot of sand and gravel from the bed of the Potomac in front of the plaintiffs' properties on the Virginia side of the channel. Smoot was operating in that vicinity under a permit from the Board of Public Works. The suit against Smoot (to which the State was not a party) was predicated on the theory that the Virginia landowners had the right to the sand and gravel in the bed of the river in front of their properties by virtue of the provisions of Section 485 of Article 27 of the Maryland Code as it existed prior to June 1, 1957 and that the permit issued by your Board to Smoot to dredge in the area was invalid. The Maryland District Court held that Section 485 of Article 27 conferred no such rights to landowners on the Virginia side and that the permit issued by your Board to Smoot was valid. The Fourth Circuit, however, reversed the lower court on both grounds and remanded the case for a trial on the question of the relief to be granted to the Virginia landowners. We understand that the case was retried but was subsequently settled.

Apparently as a result of the contentions being advanced by the Virginia landowners in the District Court in the Smoot case, the General Assembly in 1957, by Chapter 498 of the Laws of 1957 amended Section 485 of Article 27 so as to confine the grant of rights to sand and gravel in the beds of the rivers in this State only to landowners located in Maryland. The statute specifically exempted from its application the Smoot litigation pending in the District Court.

The effect that this statute had on the Potomac River was to vest in the State all rights to sand and gravel located in the bed of the river on the Virginia side of the channel. This statute also gives your Board the sole and exclusive right to grant licenses to private persons or corporations, for an adequate consideration in money, to dredge for sand and gravel in such areas.

Thus, a grant by the Board of Public Works of a license to Potomac Sand and Gravel Company, for a money consideration, to dredge in the area mentioned, is a valid exercise of the powers granted to the Board under Chapter 498 of the acts of 1957. The Virginia landowners are now clearly in no position to question the grant of such a license by the State and would

Mr. Andrew Heubeck, Jr.

Page - 3 -

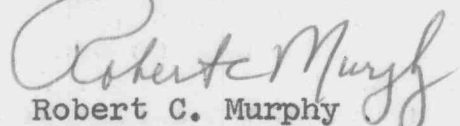
July 18, 1963

have no ground to interfere with the orderly exercise thereof by Potomac. As for the possibility of the Virginia landowners bringing suit against the State, I can see no legal basis upon which such a suit could be successfully maintained.

In addition, if, as you indicate may be the case, Potomac owns the riparian land in Virginia across from the area to be dredged, being the licensee, Potomac would have little standing to question the propriety of the State's issuing the license to dredge in this area.

I hope this information is satisfactory. If I can be of further assistance, please advise.

Very truly yours,



Robert C. Murphy
Deputy Attorney General

RCM:fms

August 1963

~~CONFIDENTIAL~~
Potomac Sand and Gravel Company

The Secretary submitted a letter received from the State Law Department, dated July 18, 1963, in which it was pointed out that while it is impossible to forecast that the State will not be involved with litigation, under its granting of a lease agreement to the Potomac Sand and Gravel Company to dredge in the Virginia side of the Potomac River, it could be said with some degree of confidence, that it is not likely that any suit involving the State could be successful. It was pointed out, that the granting by the Board of a lease to the Company, for a monetary consideration, to dredge in the area requested, is a valid exercise of the powers granted to the Board of Public Works under Chapter 498 of the Acts of 57, Amended Section 485 of Article 27. The Attorney General stated that he could see no legal basis upon which a suit, brought against the State, could be successfully maintained.

During the discussion of this matter, and the royalty recommended by the Board of Natural Resources, the question was raised as to the definition of a 4½ per cent value of each short ton of sand or gravel, computed on the average value of Maryland sand and gravel, and published in the Minerals Yearbook of the U. S. Bureau of Mines. The Board requested the Secretary to secure from the Board of Natural Resources, a definition in this instance - for example, retail or wholesale, and which of these is the one published in the Yearbook.

Return

MEMBER AGENCIES

DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE
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STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

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ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

August 8, 1963

Ferry Point and Mt. Vernon Area

Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

This will acknowledge your letter of August 7, and the attached chart, requesting the Board of Natural Resources to make recommendations on the application of the Potomac Sand and Gravel Company for the removal of sand and gravel from the Virginia side of the Potomac River as delineated in the chart. A copy of the application, dated July 31, and the chart were transmitted to this office by John S. Mason, Secretary, Potomac Sand and Gravel Company.

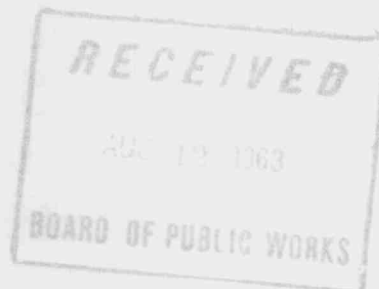
The next meeting of the Board of Natural Resources has not been settled, but will undoubtedly occur in September. We shall review the application and any additional pertinent information and I shall advise you of any conclusions which the Board may reach.

A copy of this letter is being sent to John S. Mason, Potomac Sand and Gravel Company, to acknowledge our receipt of a copy of the application.

Very truly yours,

William H. Bayliff
Executive Secretary

WHB:d
cc: John S. Mason



August 7, 1963

Mr. William H. Bayliff,
Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

We have received from the Potomac Sand and Gravel Company, a letter dated July 31, 1963, in which they have requested a lease or license agreement to remove sand and gravel from the bed of the Potomac River. They have designated an area marked on the accompanying chart, which appears to be the same land mined by the old Smoot Sand and Gravel Company. We note that a copy of this letter was forwarded to you.

Before going before the Board of Public Works with this request, we ask that you, and such other appropriate State agencies, including the Department of Geology, Mines, and Water Resources, as you may think necessary, give consideration to this request. We are particularly interested in your recommendation as to the length of such a license agreement, the royalty which should be paid to the State, and whether or not you feel that such an agreement is advisable.

I do feel that the situation here is different from the pending request from the Potomac Sand and Gravel Company, in that the previous request covers land around Craney Island, which they own. In this case, they would be simply digging in the middle of the river from State land. This, I believe, should have a direct bearing on the amount of any royalty which might be recommended to the Board of Public Works.

Very truly yours,

Secretary

MB: jm

August 7, 1963

Mr. John S. Mason, Secretary
Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington, D. C.

Re: Proposed Lease Agreement -
Dredging of Sand and Gravel -
Potomac River

Dear Mr. Mason:

We have your letter of July 31, 1963, requesting the State of Maryland to issue a lease agreement to Potomac Sand and Gravel Company, to permit the company to remove sand and gravel from the bed of the Potomac River, as fully detailed in your letter, and outlined on the lease attached to your letter.

We have referred this request to the Board of Natural Resources and advise their recommendation. We are requesting specifically, a recommendation as to whether your proposed project should be approved; if so, for what length of time; and, what the amount of royalty involved should be.

Upon receipt of the recommendation of the Board of Natural Resources, we will communicate further with you.

Very truly yours,

Secretary

MB:jm

POTOMAC SAND AND GRAVEL COMPANY

3020 K STREET, N.W., WASHINGTON 7, D.C.

July 31, 1963


Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
Annapolis, Maryland

In re: Proposed Lease Agreement -
Dredging of Sand and Gravel -
Potomac River

Dear Mr. Heubeck:

Confirming your recent conversation with our Messrs. Green and Pendleton we would like to apply for a lease to remove sand and gravel from the bed of the Potomac River in the area bounded on the north by a line drawn 1000 feet offshore opposite the Virginia properties of Edward M. Bostick and Norma J. Bostick, his wife, Henry I. Altshuler and Roselina R. Altshuler, his wife, Robert B. Wickes, Anna B. Wickes, Virginia R. McDonnell, Milton W. King and Louise B. King, his wife; on the east by a line drawn from the eastern end of the northern boundary at a right angle to the north side of the main navigation channel of the Potomac River; on the south by the north side of the main navigation channel of the Potomac River; and on the west by a line drawn from the western end of the northern boundary at a right angle to the north side of the main navigation channel of the Potomac River, as shown on enclosed print. Also enclosed is copy of agreement of August 9, 1960 with the property owners, with the provisions of which we will abide.

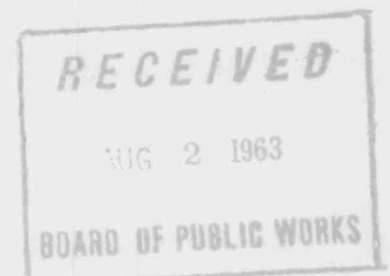
Sincerely,



John S. Mason
Secretary

JSM/map
enclosures

cc: Mr. William H. Bayliff
Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland






Date:- July 24, 1963

LOCATION DRAWING
 of
 Area Between Mt. Vernon and Ferry Pt.
 For which
 License Agreement is Requested
 by
 Potomac Sand and Gravel Company

AGREEMENT AND CONVEYANCE



Made this *9th* day of *August*, 1960, by and between EDWARD M. BOSTICK and NORMA J. BOSTICK, his wife, HENRY I. ALTSHULER and ROSELINA R. ALTSHULER, his wife, ROBERT B. WICKES, acting on his own behalf and pursuant to proper authority on behalf of ANNA B. WICKES, widow, VIRGINIA R. McDONNELL, widow, and MILTON W. KING and LOUISE B. KING, his wife (hereafter referred to as FIRST PARTIES) and THE SMOOT SAND AND GRAVEL CORPORATION, a corporation organized under the laws of Delaware, on behalf of itself, its successors and assigns (hereafter referred to as "SMOOT"),

WITNESSETH

That in consideration of the premises and of the sum of Ten Dollars (\$10.00) each to the other in hand paid and for other good and valuable consideration, receipt of which is hereby acknowledged, it is mutually agreed as follows:

1. FIRST PARTIES and each of them hereby grant, transfer, convey, sell and assign to SMOOT, its successors and assigns, effective January 1, 1956, all their right, title and interest in sand and gravel in the bed of the Potomac River as owners of riparian land between Ferry Point and Mount Vernon, including but not limited to all right, title and interest under the provisions of section 572 of Article 27 of the Maryland Code (1951 ed.), both before and after the 1957 amendment thereof, including specifically the right to dredge and remove sand and gravel.

2. FIRST PARTIES and each of them will not oppose any application by SMOOT, its successors or assigns, to appropriate agencies of the State of Maryland (including applications pursuant to section 485 of Article 27 of the Maryland Code, 1957 ed., or any other provision of the Maryland code) and/or the United

States of America and/or other persons or entities authorized by law, for authorization to dredge for sand and gravel from the Potomac River between Ferry Point and Mount Vernon. The term authorization as used herein includes any deed, grant, lease, permit or license or any other document, no matter how described, which constitutes or contains an authorization. In particular, **FIRST PARTIES** will not, directly or indirectly, oppose or hinder any such application on the basis of rights, if any, under the said section 485 of Article 27 of the Maryland Code, or on the basis of Civil Actions No. 8974 and 11480 in the U. S. District Court for the District of Maryland, and Civil Action No. 1840-59 in the U. S. District Court for the District of Columbia, the re-assertion of any contentions made therein, or any part of the records thereof.

3. In the event that **SMOOT** or its successors or assigns dredges from the Potomac River on the Virginia side of the channel from Ferry Point to Mount Vernon under the terms of the conveyance made herein or under any other authorization, **SMOOT** agrees:

(a) Dredging shall not be conducted less than 1,000 feet from shore.

(b) Actual operations of the dredge (including the starting of the dredge and the preparation of steam in the boilers) shall not begin before 7:30 a.m. nor continue beyond 6:00 p.m.

(c) Not more than one dredge shall operate at any given time.

FIRST PARTIES and each of them agree that no objection will be made by any of them to any such dredging.

4. This Conveyance and Agreement shall be binding on the parties hereto, their heirs, successors and assigns and the terms hereof shall be construed as covenants in favor of and binding upon all such heirs, successors and assigns as may have an interest, in whole or in part, in riparian property between Ferry Point and Mount Vernon, and/or in dredging for sand and gravel in front of such property. This paragraph is not a condition.

5. The parties mutually agree that as of the date of this agreement they have no claims against each other arising out of or based upon ownership of property and/or conduct of dredging operations in the Potomac River between Ferry Point and Mount Vernon.

6. The conveyance by FIRST PARTIES in paragraph 1 is a quitclaim Conveyance. There are no warranties by any of the parties. There are no oral representations, express or implied, by and between any of the parties.

7. This Agreement and Conveyance is being signed in an original and two counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF the FIRST PARTIES themselves or by attorney have hereunto set their hands and seals, and THE SMOOT SAND AND GRAVEL CORPORATION has caused its corporate name to be subscribed and its corporate seal affixed by officers duly authorized.

FIRST PARTIES

Edward M. Bostick
Edward M. Bostick (L.S.)

Norma J. Bostick
Norma J. Bostick (L.S.)

Henry I. Altshuler
Henry I. Altshuler (L.S.)

Roselina R. Altshuler
Roselina R. Altshuler (L.S.)

Anna B. Wickes
By Robert B. Wickes, Attorney
Anna B. Wickes,
By Robert B. Wickes
Attorney (L.S.)

Robert B. Wickes
Robert B. Wickes (L.S.)

Virginia R. McDonnell
Virginia R. McDonnell (L.S.)

Milton W. King
Milton W. King (L.S.)

Louise B. King
Louise B. King (L.S.)

THE SMOOT SAND AND GRAVEL CORPORATION

By: L. E. Smack

ATTEST

Notary Public

mscl.

August 13, 1963

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

The Board of Public Works, at its meeting of August 8, 1963, in further consideration of the request of Potomac Sand and Gravel Company for a license permit to dredge sand and gravel from the Potomac River in the vicinity of Craney Island, deferred final action pending receipt of a definition by you of the $4\frac{1}{2}$ per cent royalty on the value of each short ton of sand and (or) gravel removed from the lease during the preceeding calendar year, the royalty to be computed on the average value of Maryland sand and gravel as published in the Minerals Yearbook of the U. S. Bureau of Mines.

The question here is what value are we speaking of - retail, the value as it comes from the ground, or wholesale, and which of these values is the one published in the Minerals Yearbook of the U. S. Bureau of Mines.

I think if we can get this information to the Board of Public Works, we will be in a position where we can get definite action by the Board on this request.

Very truly yours,

Secretary

AH:MB:jm

September 19, 1963

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

Thank you for your letter of September 5th relating to information desire on the computation of royalties on sand and gravel to be removed from the Craney Island area under a lease proposed by the Potomac Sand and Gravel Company.

We appreciate your cooperation in requesting Mr. T. G. Cotter for detailed information and advice for the clarification of this matter. We will look forward to your further advices.

Very truly yours,

Secretary.

mb/

MEMBER AGENCIES
DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE
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STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
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PAUL W. MCKEE
DONALD W. PRITCHARD
GEORGE W. TODD
LESTER N. TOWNER
ERNEST A. VAUGHN

September 5, 1963

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY



Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

This will reply to your letter of August 13 requesting more explicit information on computing royalties on sand and gravel removed from the Craney Island area under a lease proposed by the Potomac Sand and Gravel Company.

Sand and gravel producers, like all other mineral industries, have been accustomed for many years to reporting their production on forms devised by the U.S. Bureau of Mines. Two copies of the sand and gravel form for 1961 are attached. I believe that mineral producers in Maryland are instructed to transmit the completed forms to the Department of Geology, Mines and Water Resources. In practice, however, mineral producers often transmit the completed forms directly to the U.S. Bureau of Mines. I am not sure that these forms are required by Federal regulations, but they could certainly be required under any mineral lease to which the State is a party.

As you will observe from the form, the value of each commodity is the value at the point of production or shipping point. This is the value accepted and published by the U.S. Bureau of Mines. The published values for each commodity are the average values computed for all the producers in Maryland. This average value for each commodity varies slightly from year to year, depending on the market.

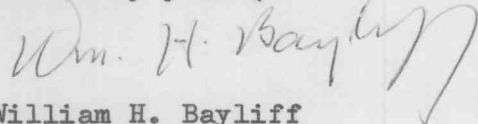
I have no advice on the phraseology concerning royalties in mineral leases. The calculations of royalties, however, appear to present no serious problem if we use the sand and gravel values calculated and published by the U.S. Bureau of Mines. Royalties are probably determined in a similar manner for the coal produced on State land in Garrett County.

Mr. Andrew Heubeck, Jr.

-2-

Recently, I discussed sand and gravel leases in a general way with T.G. Cotter (Republic 7-1820 Extension 3234) who is the sand and gravel expert for the U.S. Bureau of Mines. I am sure he would be willing to give you or the Attorney General more specific advice and to clarify further the manner of computing values of sand and gravel.

Sincerely yours,



William H. Bayliff
Executive Secretary

WHB:d
Encs.

BOARD OF NATURAL RESOURCES

September 5, 1963

Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

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Mr. Andrew Heubeck, Jr.

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Sincerely yours,

William H. Bayliff
Executive Secretary

WHB:d
Encs.



Retain one copy for your files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SAND AND GRAVEL IN 1961

INDIVIDUAL COMPANY
DATA—CONFIDENTIAL

If permission to disclose is withheld by checking the box marked "No" in question immediately preceding the signature, the data furnished in this report will be treated in confidence by the Department of the Interior, except that they may be disclosed to defense agencies.

See reverse side for instructions.

Please indicate any change necessary for correct name and address.

I. NAME OF OPERATION _____ (State) _____ (County) _____ (City or town)

If a subsidiary, name controlling company _____

II. PRODUCTS SOLD OR USED DURING THE YEAR: (Report all products including those produced for Government use).
GIVE ACTUAL FIGURES IF POSSIBLE, OTHERWISE ESTIMATES WILL BE ACCEPTABLE.

PRODUCTS (including processed and unprocessed) AND USES	QUANTITY		VALUE f.o.b. plant or shipping point
	Short tons _____	Cubic yards _____ (Check which)	
SAND, CONSTRUCTION			
Building (excluding road structures)..... (601).....	_____	_____	\$.....
Paving (road base and surface, bridges, etc.).. (602).....	_____	_____	_____
Railroad ballast..... (603).....	_____	_____	_____
Fill..... (604).....	_____	_____	_____
Other uses (Specify)..... (605).....	_____	_____	_____
SAND, INDUSTRIAL (Unground)			
Glass (for melting only)..... (606).....	_____	_____	_____
Molding (pig-bed, steel, brass, iron, cores, etc.)..... (607).....	_____	_____	_____
Grinding and polishing..... (608).....	_____	_____	_____
Blast..... (610).....	_____	_____	_____
Fire or furnace..... (611).....	_____	_____	_____
Engine..... (612).....	_____	_____	_____
Ferrosilicon..... (613).....	_____	_____	_____
Filtration..... (614).....	_____	_____	_____
Oil (hydrafrac)..... (615).....	_____	_____	_____
Other uses (Specify)..... (616).....	_____	_____	_____
GROUND SAND			
Abrasives..... (631).....	_____	_____	_____
Chemical..... (632).....	_____	_____	_____
Enamel..... (633).....	_____	_____	_____
Filler..... (634).....	_____	_____	_____
Foundry uses..... (635).....	_____	_____	_____
Glass..... (636).....	_____	_____	_____
Pottery, porcelain, and tile..... (637).....	_____	_____	_____
Other uses (Specify)..... (638).....	_____	_____	_____
TOTAL SAND..... (639).....	_____	_____	_____
GRAVEL, CONSTRUCTION			
Building (excluding road structures)..... (641).....	_____	_____	_____
Paving (road base and surface, bridges, etc.).. (642).....	_____	_____	_____
Railroad ballast..... (643).....	_____	_____	_____
Fill..... (644).....	_____	_____	_____
Other uses (Specify)..... (645).....	_____	_____	_____
GRAVEL, MISCELLANEOUS..... (646).....			
TOTAL GRAVEL..... (649).....	_____	_____	_____
GRAND TOTAL, SAND AND GRAVEL..... (699).....	_____	_____	_____

*If production is reported in cubic yards, indicate weight per cubic yard: Sand _____ pounds; gravel _____ pounds.

III. Does the above include pit or bank-run (unprocessed) sand and/or gravel? Yes No
If yes, give tons _____, value \$ _____ (689)

IV. TYPE OF SAND AND GRAVEL PLANT

(Check which)

- 1. Stationary
- 2. Portable

V. TRANSPORTATION

Method of Transportation from Plant	Sand and Gravel (all types) shipped (estimate if necessary) Short tons
Truck..... (651)
Railroad..... (652)
Waterway..... (653)
Other (Specify)..... (654)
Total shipments..... (659)

VI. SAND AND GRAVEL FOR GOVERNMENT USE AND OTHER PURPOSES:

1. Sand and gravel (reported in sec. II) produced at this establishment for use at government projects: (a) Sand and gravel produced by you for your own use as a prime contractor or subcontractor on Federal, State, or local government projects. Name government agencies sponsoring projects. (671)	SPECIFY WHETHER SAND OR GRAVEL (1)	SPECIFY USE (2)	QUANTITY
			Short tons..... Cubic yards..... (Check which) (3)
.....
(b) Sand and gravel sold directly to Federal, State, or local governments. Name purchasing agencies. (672)
.....
2. All OTHER sand and gravel sold or used..... (673)
3. TOTAL SAND AND GRAVEL SOLD OR USED (Should equal Grand Total, Sand and Gravel, line 699, sec. II)..... (679)

VII. MISCELLANEOUS:

- (1) Please give names and addresses of new sand or gravel producers in your vicinity:
.....
- (2) Reports containing final annual statistical information for sand and gravel are published in two forms—Commodity (covering domestic and foreign data for sand and gravel) and State (covering all mineral commodities in a geographical area). If you desire a copy of one or both of these reports please check the appropriate space.
Commodity State Both
(1) (2) (3)

VIII. May the Bureau of Mines disclose your individual data? Yes No
The signature on this report constitutes a consent to the publication of the individual company data in this report unless the blank designated "No" in the preceding sentence has been checked.

.....
(Name of person signing report) (Official position)
.....
(Signature) (Date)

INSTRUCTIONS

- A. Please reply to the foregoing questions and return the schedule as promptly as possible in the enclosed envelope, which requires no postage. A separate report should be prepared for each operating unit from which a product was sold or used during the calendar year. If unable to show production by individual operations, indicate number of such operations included Additional blanks will be furnished upon request.
- B. Production should include all unconsolidated sand and gravel, detrital rock, talus, crushed boulders or other unquarried surface stone produced by you during the calendar year. EXCLUDE ALL PURCHASED SAND AND GRAVEL. Report in short tons if possible or in cubic yards. Value of production, sold or used, should be shown at the producing plant or nearest point of shipment and should not include delivery costs, freight rates, or similar charges.
Output of products from deposits of sandstone and quartzite should be reported on Form 6-1281A.



Retain one copy for your files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

INDIVIDUAL COMPANY
DATA—CONFIDENTIAL

SAND AND GRAVEL IN 1961

If permission to disclose is withheld by checking the box marked "No" in question immediately preceding the signature, the data furnished in this report will be treated in confidence by the Department of the Interior, except that they may be disclosed to defense agencies.

See reverse side for instructions.

Please indicate any change necessary for correct name and address.

I. NAME OF OPERATION _____ (State) _____ (County) _____ (City or town)

If a subsidiary, name controlling company _____

II. PRODUCTS SOLD OR USED DURING THE YEAR: (Report all products including those produced for Government use).
GIVE ACTUAL FIGURES IF POSSIBLE, OTHERWISE ESTIMATES WILL BE ACCEPTABLE.

PRODUCTS (including processed and unprocessed) AND USES	QUANTITY		VALUE f.o.b. plant or shipping point
	Short tons ____	Cubic yards ____ ^o (Check which)	
SAND, CONSTRUCTION			
Building (excluding road structures)..... (601).....			\$.....
Paving (road base and surface, bridges, etc.).. (602).....			
Railroad ballast..... (603).....			
Fill..... (604).....			
Other uses (Specify)..... (605).....			
SAND, INDUSTRIAL (Unground)			
Glass (for melting only)..... (606).....			
Molding (pig-bed, steel, brass, iron, cores, etc.)..... (607).....			
Grinding and polishing..... (608).....			
Blast..... (610).....			
Fire or furnace..... (611).....			
Engine..... (612).....			
Ferrosilicon..... (613).....			
Filtration..... (614).....			
Oil (hydrafrac)..... (615).....			
Other uses (Specify)..... (616).....			
GROUND SAND			
Abrasives..... (631).....			
Chemical..... (632).....			
Enamel..... (633).....			
Filler..... (634).....			
Foundry uses..... (635).....			
Glass..... (636).....			
Pottery, porcelain, and tile..... (637).....			
Other uses (Specify)..... (638).....			
TOTAL SAND..... (639).....			
GRAVEL, CONSTRUCTION			
Building (excluding road structures)..... (641).....			
Paving (road base and surface, bridges, etc.).. (642).....			
Railroad ballast..... (643).....			
Fill..... (644).....			
Other uses (Specify)..... (645).....			
GRAVEL, MISCELLANEOUS..... (646).....			
TOTAL GRAVEL..... (649).....			
GRAND TOTAL, SAND AND GRAVEL..... (699).....			

*If production is reported in cubic yards, indicate weight per cubic yard: Sand _____ pounds; gravel _____ pounds.

III. Does the above include pit or bank-run (unprocessed) sand and/or gravel? Yes No
If yes, give tons _____, value \$ _____ (689)

Please reply to questions on the back of this schedule

(OVER)

IV. TYPE OF SAND AND GRAVEL PLANT	V. TRANSPORTATION	
(Check which) 1. Stationary <input type="checkbox"/> 2. Portable <input type="checkbox"/>	Method of Transportation from Plant	Sand and Gravel (all types) shipped (estimate if necessary) Short tons
	Truck..... (651)	-----
	Railroad..... (652)	-----
	Waterway..... (653)	-----
	Other (Specify)..... (654)	-----
	Total shipments..... (659)	-----

VI. SAND AND GRAVEL FOR GOVERNMENT USE AND OTHER PURPOSES:

1. Sand and gravel (reported in sec. II) produced at this establishment for use at government projects:	SPECIFY WHETHER SAND OR GRAVEL	SPECIFY USE	QUANTITY
			Short tons----- Cubic yards----- (Check which) (3)
(a) Sand and gravel produced by you for your own use as a prime contractor or subcontractor on Federal, State, or local government projects. Name government agencies sponsoring projects. (671)	(1)	(2)	
.....			
.....			
(b) Sand and gravel sold directly to Federal, State, or local governments. Name purchasing agencies. (672)			
.....			
.....			
2. All OTHER sand and gravel sold or used..... (673)			
3. TOTAL SAND AND GRAVEL SOLD OR USED (Should equal Grand Total, Sand and Gravel, line 699, sec. II)..... (679)			

VII. MISCELLANEOUS:

(1) Please give names and addresses of new sand or gravel producers in your vicinity:

(2) Reports containing final annual statistical information for sand and gravel are published in two forms—Commodity (covering domestic and foreign data for sand and gravel) and State (covering all mineral commodities in a geographical area). If you desire a copy of one or both of these reports please check the appropriate space.

Commodity (1) State (2) Both (3)

VIII. May the Bureau of Mines disclose your individual data? Yes (1) No (2)

The signature on this report constitutes a consent to the publication of the individual company data in this report unless the blank designated "No" in the preceding sentence has been checked.

(Name of person signing report)

(Official position)

(Signature)

(Date)

INSTRUCTIONS

A. Please reply to the foregoing questions and return the schedule as promptly as possible in the enclosed envelope, which requires no postage. A separate report should be prepared for each operating unit from which a product was sold or used during the calendar year. If unable to show production by individual operations, indicate number of such operations included. Additional blanks will be furnished upon request.

B. Production should include all unconsolidated sand and gravel, detrital rock, talus, crushed boulders or other unquarried surface stone produced by you during the calendar year. EXCLUDE ALL PURCHASED SAND AND GRAVEL. Report in short tons if possible or in cubic yards. Value of production, sold or used, should be shown at the producing plant or nearest point of shipment and should not include delivery costs, freight rates, or similar charges.

Output of products from deposits of sandstone and quartzite should be reported on Form 6-1281A.

POTOMAC SAND AND GRAVEL CO. - Lease.

To appear: -

Representative of the company
Mr. Bayliff.

MEMBER AGENCIES

DEPT. OF TIDEWATER FISHERIES
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
DEPT. OF GEOLOGY, MINES AND
WATER RESOURCES
WATER POLLUTION CONTROL
COMMISSION
NATURAL RESOURCES INSTITUTE
UNIVERSITY OF MARYLAND



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

December 4, 1963

MEMBERS 4

JOSEPH H. MANNING, CHAIRMAN
RONALD BAMFORD, VICE-CHAIRMAN
G. FRANCIS BEAVEN
MYRON L. BLOOM
ERNST CLOOS
RICHARD H. COLLINS
L. EUGENE CRONIN
DAVID HUME
JOSEPH F. KAYLOR
PAUL W. MCKEE
DONALD W. PRITCHARD
GEORGE W. TODD
LESTER N. TOWNER
ERNEST A. VAUGHN

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

The Potomac Sand and Gravel Company has applied to the Board of Public Works for leases on each of two sand and gravel deposits in the Potomac River between the main channel and the Virginia shore. The earlier application refers to an area of approximately 1,500 acres surrounding Craney Island in Charles County. The second application refers to approximately 110 acres in Prince George's County between Ferry Point and Mt. Vernon. The company proposes a 20-year lease on each of these areas and the payment of a royalty of 3¢ for each short ton of sand and gravel removed from either area. The Board of Public Works has requested the advice of the Board of Natural Resources on both applications. The recommendations of this Board may be summarized as follows:

1. That a decision on the Craney Island area be deferred until the Board of Natural Resources has an opportunity to examine the shore line to determine what damage, if any, would result from the proposed operations. This examination will be made early in 1964 and our conclusions will be transmitted shortly thereafter to the Board of Public Works.
2. That the Board of Public Works lease to the Potomac Sand and Gravel Company the area between Ferry Point and Mt. Vernon for a 3-year period on terms and conditions set forth in the tentative lease enclosed herewith. The Board of Natural Resources is opposed to a 20-year lease which might permit the lessee to tie up for long periods valuable deposits of sand and gravel.
3. The Board of Natural Resources regards the question of royalties as negotiable between the Board of Public Works and the lessee. This Board, however, recommends 6¢ for each short ton of sand and gravel or either.

Mr. Andrew Heubeck, Jr.

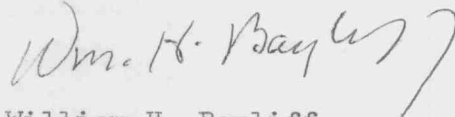
-2-

December 4, 1963

4. The Board of Natural Resources requests that it be given an opportunity to confirm the legal description of the area described in the tentative lease enclosed.
5. The tentative lease enclosed was prepared by the staff of the Board of Natural Resources and the form and language of the lease should be carefully scrutinized by the Attorney General.

For your further information we are enclosing herewith (a) our comments on sand and gravel deposits in the Potomac River; (b) a tentative lease of the area between Ferry Point and Mt. Vernon. As suggested above, the legal description of the area and the form of the lease should be reviewed, respectively, by the Board of Natural Resources and the Attorney General.

Very truly yours,



William H. Bayliff
Executive Secretary

WHB:alt
enc.

Potomac Sand and Gravel Company - December 9, 1963

POTOMAC SAND AND GRAVEL COMPANY:

Mr. Lloyd Green and Mr. John Mason, representing the Potomac Sand and Gravel Company, appeared before the Board with Mr. William E. Bayliff, Executive Secretary for the Board of Natural Resources. The Company had previously requested a License Agreement to dredge sand and gravel from the Potomac River in the "Ferry Point and Mt. Vernon area;" also an area adjacent to Craney Island. The State Comptroller, in discussing the contract with those present, stated that he felt that the contract should be put out for public bid. Both Mr. Green and Mr. Mason, while offering no objection to the public bidding, suggested that because of other agreements which they have secured with Riparian owners on the Virginia Side of the river, they would be the only company in a position to submit such a bid.

At the suggestion of the State Treasurer, the Governor appointed the following committee: The Secretary of the Board of Natural Resources, a representative from the State Law Department, and the Secretary of the Board of Public Works, to investigate the feasibility of offering such a License Agreement to public bid.

December 26, 1963

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

The Board of Public Works, at its meeting of December 9, 1963, considered a request submitted by representatives of the Potomac Sand and Gravel Company for a License Agreement to dredge sand and gravel from the Potomac River in the "Ferry Point and Mt. Vernon area"; and also in an area adjacent to Craney Island.

The Board declined at that time to take any action on this request. Rather, at the suggestion of the State Treasurer, a Committee composed of:

The Secretary of the Board of Natural Resources
A representative from the State Law Department
The Secretary of the Board of Public Works

was appointed to investigate the feasibility of offering such a License Agreement to public bidding.

Since I will be away from the office until after the first of the year, I would appreciate it if you would give consideration to some date in the week of January 6, 1964, when this problem could be discussed by the Committee.

Very truly yours,

Secretary

AR:MB:fj

December 26, 1963

Mr. Robert C. Murphy
Deputy Attorney General
1 Charles Center
Baltimore 2, Maryland

Dear Mr. Murphy:

The Board of Public Works, at its meeting of December 9, 1963, considered a request submitted by representatives of the Potomac Sand and Gravel Company for a License Agreement to dredge sand and gravel from the Potomac River in the "Ferry Point and Mt. Vernon area"; and also in an area adjacent to Craney Island.

The Board declined at that time to take any action on this request. Rather, at the suggestion of the State Treasurer, a Committee composed of:

The Secretary of the Board of Natural Resources
A representative from the State Law Department
The Secretary of the Board of Public Works

was appointed to investigate the feasibility of offering such a License Agreement to public bidding.

Since I will be away from the office until after the first of the year, I would appreciate it if you would give consideration to some date in the week of January 6, 1964, when this problem could be discussed by the Committee.

Very truly yours,

Secretary

AH:MB:fj

January 9, 1964

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

I am enclosing a copy of a letter received from Deputy Attorney General Robert C. Murphy, relating to the Committee appointed to investigate the feasibility of offering a license agreement to the Potomac Sand and Gravel Company to dredge sand and gravel from the Potomac River.

Very truly yours,

Secretary

AH:fj

THOMAS B. FINAN
ATTORNEY GENERAL

ROBERT C. MURPHY
DEPUTY ATTORNEY GENERAL



STATE OF MARYLAND
STATE LAW DEPARTMENT

ONE CHARLES CENTER
BALTIMORE, MD. 21201

January 8, 1964

Mr. Andrew Heubeck, Jr., Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

I have designated Mathias J. DeVito, Esq., a member of this office, to serve on the Committee appointed to investigate the feasibility of offering a license agreement to the Potomac Sand and Gravel Company to dredge sand and gravel from the Potomac River.

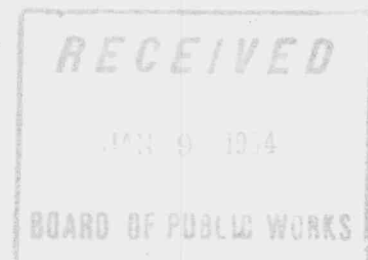
If you will contact him relative to the date of the first Committee hearing, I am sure he will be in attendance.

Sincerely yours,

A handwritten signature in cursive script that reads 'Robert C. Murphy'.

Robert C. Murphy
Deputy Attorney General

RCM-h



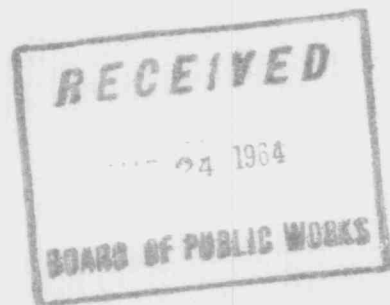


J. MILLARD TAWES
GOVERNOR

EXECUTIVE DEPARTMENT

ANNAPOLIS, MARYLAND

24 March 1964



Mr. Andrew Heubeck, Jr., Secty.,
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

Attached hereto is a copy of a Public Notice issued by the Baltimore District of the Army Corps of Engineers relative to an application from the Potomac Sand and Gravel Company for a permit to dredge sand and gravel in the Potomac River near Mt. Vernon, Fairfax County, Virginia.

You will note that the second paragraph of the Notice states that no dredging will be performed within 1,000 feet of the Virginia shoreline which leads the writer to believe that these dredging operations will be in Maryland waters.

I think this matter was before the Board of Public Works some months ago and this Notice is being sent to you so that you may check and see whether any agreement has been reached between the Potomac Sand and Gravel Company and the State of Maryland regarding a remittance to the State on either a per cubic yard or per ton basis for the sand and/or gravel removed.

With kindest regards, I am

Sincerely yours,

Russell H. McCain
Executive Assistant to the Governor

RHMcC/els
Encl.

U. S. ARMY ENGINEER DISTRICT, BALTIMORE
CORPS OF ENGINEERS
23rd Street and Maryland Avenue
P. O. Box 1715
Baltimore, Maryland 21203

NABOP-P(Potomac Sand & Gravel Co.)2

23 March 1964

PUBLIC NOTICE

TO WHOM IT MAY CONCERN:

This office has received an application from the POTOMAC SAND AND GRAVEL COMPANY, 3020 K STREET, N. W., WASHINGTON, D. C. 20007, for a Department of the Army permit to dredge for sand and gravel in the POTOMAC RIVER NEAR MT. VERNON, FAIRFAX COUNTY, VIRGINIA.

Plans showing the proposed work are on file in the Operations Division, Room 230, U. S. Custom House, Gay and Lombard Streets, Baltimore, Maryland - 21202, and may be seen by interested parties. A copy of the plans is shown on the reverse side of this sheet. The plans indicate that the dredging will be performed in an area downstream of the channel leading to Mt. Vernon. No dredging will be performed within 1,000 feet of the Virginia shoreline or within 300 feet of the Federal project channel.

Although the decision as to whether or not approval will be forthcoming on the plans as submitted must rest primarily upon the effect of the work on navigation, information concerning other effects of the work will be accepted and will be made a part of the record on the application. Any criticism or protests concerning the work should be submitted in writing to this office on or before 11 April 1964; otherwise it will be presumed that no objections exist.

It is requested that you communicate the foregoing information concerning the proposed work to any persons known by you to be interested and who, not being known to this office, do not receive a copy of this notice.

FOR THE DISTRICT ENGINEER:



WILLIAM E. TRIESCHMAN, JR.
Acting Chief, Operations Division

↑
N

MR 84 854
EXECUTIVE DEPARTMENT

Fairfax County
VIRGINIA

Mt. Vernon
CUPOLA

Sheridan Pt.
Mt. Vernon Memorial Highway

Dogue Creek

Ferry Pt.

Bryan Pt.

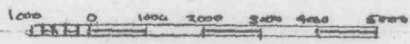
Marshall Hall

Prince George Co.

MARYLAND

Charles Co.

PROPOSE DREDGING FOR
SAND AND GRAVEL IN
THE POTOMAC RIVER
BETWEEN
FERRY PT. & MT. VERNON

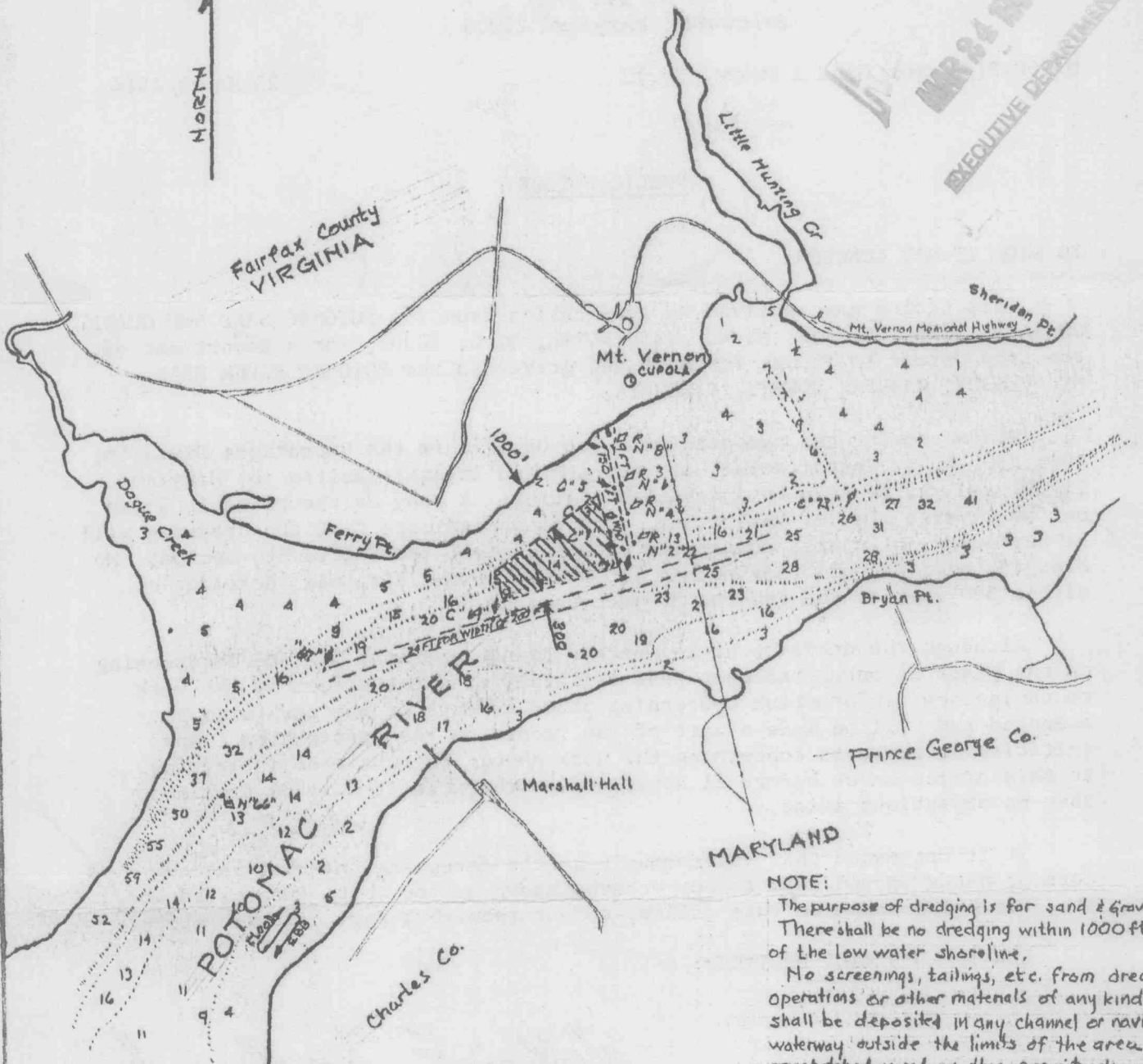


Scale - 1:40,000
(Traced from U.S.C & G.S. Chart 560)

NOTE:

The purpose of dredging is for sand & gravel.
There shall be no dredging within 1000 ft.
of the low water shoreline.
No screenings, tailings, etc. from dredging
operations or other materials of any kind
shall be deposited in any channel or navigable
waterway outside the limits of the area
crosshatched in red on this permit drawing.
All material returned from the dredging
operation shall be carefully spread to
prevent the formation of ridges.
The bottom in all cases shall be left at least
as deep as before dredging was begun.
Soundings are in feet at M.L.W.
No harbor lines established.
Area to be dredged shown thus

Application by:
POTOMAC SAND AND GRAVEL CO.
APR 2/18/64



BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

June 1, 1964

Mr. Lloyd F. Green
General Manager
Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington, D. C. 20007

Dear Mr. Green:

The State Law Department and the Board of Public Works have requested me to advise you that this State can offer the Potomac Sand and Gravel Company a lease on the sand and gravel deposits on the Mount Vernon tract in the Potomac River on condition that the Company pay the State a royalty of ten cents per ton for each short ton of sand and gravel, or either, removed from the area.

It is our understanding that we have already mutually agreed upon the general terms of such a lease. If the royalty suggested here is acceptable, the State Law Department will proceed with the final draft of the lease which we hope can be completed prior to June 16.

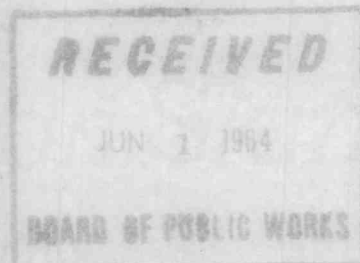
The Potomac Sand and Gravel Company is free to make an alternative proposal on the royalty or on any other condition in the proposed lease.

Very truly yours,

William H. Bayliff
Executive Secretary

WHB:alt

CC: Mr. Andrew Heubeck, Jr.



BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

June 1, 1964

Mr. Lloyd F. Green
General Manager
Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington, D. C. 20007

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Very truly yours,

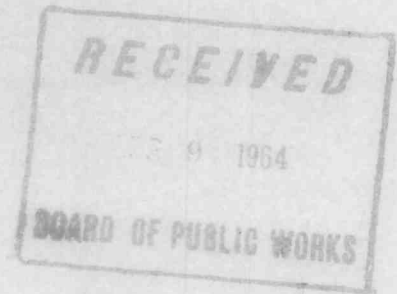
William H. Bayliff
Executive Secretary

WHB:alt

CC: Mr. Andrew Heubeck, Jr.



BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS



April 9, 1964

Mr. William E. Trieschman, Jr.
Corps of Engineers, U. S. Army
P. O. Box 1715
Baltimore, Maryland 21203

NABOP-P (Potomac Sand
and Gravel Co.)2

Dear Mr. Trieschman:

Sand and gravel deposits in the area specified in the Notice referred to above are owned and controlled by the State of Maryland. The State and the Company are negotiating a sand and gravel lease covering this area, the lease specifying that all operations will be subject to regulations of the Corps of Engineers. The proposed lease will protect the interest of the State and we recommend approval of the application referred to above.

Very truly yours,

William H. Bayliff
Executive Secretary

WHB:alt

July 29, 1964

Mr. Lloyd F. Green
Vice President and General Manager
Potomac Sand and Gravel Company
3020 "K" Street, N.W.
Washington 7, D. C.

Dear Mr. Green:

The next meeting of the Board of Public Works will be held on August 11, 1964 at 10:00 A.M. in the Governor's Office in Annapolis.

At that meeting the Board will consider your offer to pay a royalty of six cents (6¢) per ton for sand and gravel taken from the Potomac River in the Mount Vernon area. We are requesting Mr. William H. Bayliff, Executive Secretary of the Board of Natural Resources and Mr. Mathias J. DeVito of the Attorney General's Office to be present. We would also appreciate it if you would arrange to be present at this meeting.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es
CC: Mr. William H. Bayliff

ANTONISSEIN
100% COTTON

July 29, 1964

Mr. William H. Bayliff
Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

The next meeting of the Board of Public Works will be held on August 11, 1964 at 10:00 A.M. in the Governor's Office in Annapolis.

At that meeting the Board will consider the offer of the Potomac Sand and Gravel Company to pay a royalty of six cent (6¢) per ton for sand and gravel taken from the Potomac River in the Mount Vernon area. We are requesting Mr. Lloyd F. Green, Vice President and General Manager of the Potomac Sand and Gravel Company and Mr. Mathias J. DeVito of the Attorney General's Office to be present. We would also appreciate it if you would arrange to be present at this meeting.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es



July 29, 1964

Mr. Mathias J. DeVito
Assistant Attorney General
State Law Department
One Charles Center
Baltimore, Maryland 21201

Dear Mr. DeVito:

The next meeting of the Board of Public Works will be held on August 11, 1964 at 10:00 A.M. in the Governor's Office in Annapolis.

At that meeting the Board will consider the offer of the Potomac Sand and Gravel Company to pay a royalty of six cents (6¢) per ton for sand and gravel taken from the Potomac River in the Mount Vernon area. We are requesting Mr. Lloyd F. Green, Vice President and General Manager of the Potomac Sand and Gravel Company and Mr. William H. Bayliff, Executive Secretary of the Board of Natural Resources to be present. We would also appreciate it if you would arrange to be present at this meeting.

Thank you for your cooperation.

Yours very truly,

Andrew Heubeck, Jr.
Secretary

AH:es

Potomac Sand and Gravel COMPANY

June 4, 1964

Mr. William H. Bayliff
Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

Replying to your letter of June 1, 1964 relative to our leasing the Potomac river sand and gravel deposits at Mount Vernon, we believe the royalty should be six cents per ton as previously recommended by the Board of Natural Resources after study of royalties paid in various states.

We have heretofore agreed to the six cent rate and we hereby formally offer and agree to pay such a royalty.

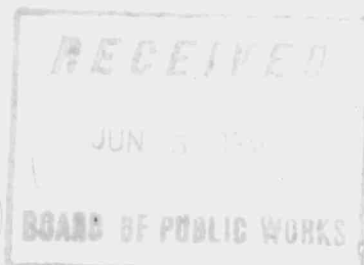
The general terms of the lease have been mutually agreed upon, and if the rate of six cents is agreeable, please proceed with the preparation of the lease for execution.

Very truly yours,

Lloyd F. Green
Vice President &
General Manager

cc: John Mason
Robert Dickey

LFG/pam



Met. J. de Vito says 10¢

MEMBER AGENCIES

DEPT. OF CHESAPEAKE BAY
AFFAIRS
DEPT. OF GAME AND INLAND
FISH
DEPT. OF FORESTS AND PARKS
MARYLAND GEOLOGICAL SURVEY
DEPT. OF WATER RESOURCES
NATURAL RESOURCES INSTITUTE,
UNIVERSITY OF MARYLAND
STATE SOIL CONSERVATION COMMITTEE,
UNIVERSITY OF MARYLAND
BUREAU OF ENVIRONMENTAL HYGIENE,
STATE DEPT. OF HEALTH
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STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

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WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

July 30, 1964

Mr. Andrew Heubeck, Jr.
Secretary, Board of Public Works
Annapolis, Maryland

Dear Mr. Heubeck:

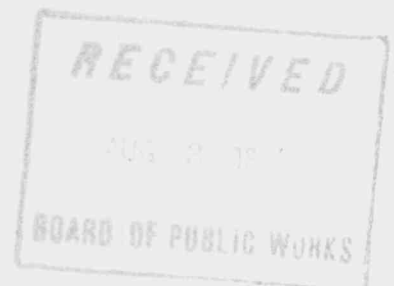
As requested in your letter of July 29, I shall plan to attend the meeting of the Board of Public Works at 10 A.M. on August 11, when the Board will review the question of leasing the sand and gravel deposits in the bed of the Potomac River.

Sincerely yours,

Bill

William H. Bayliff,
Executive Secretary

WHB:av



Mr. Newbeck - Item 4

SAND AND GRAVEL IN THE POTOMAC RIVER

The southern boundary of Maryland is the "further" shore of the Potomac River. By common law land under public waters belong to the State but an act passed in 1888 gives to riparian owners all sand and gravel in the beds of adjacent "rivers." Prior to 1957 the Smoot Sand and Gravel Company, a riparian owner on the Maryland side of the Potomac River, decided to move its dredges to the Virginia side of the river. It was assumed that the 1888 act did not apply in Virginia, and that riparian owners on the Virginia side of the Potomac River had no rights in the bed of the river. Accordingly, the Smoot Sand and Gravel Company sought and received permission of the Maryland Board of Public Works to remove sand and gravel between the channel and the Virginia shore. Riparian owners in Virginia invoked the Maryland law and brought suit in Federal courts against Smoot. The outcome is too complex to review here. In 1957, while the suit was still pending, the General Assembly amended the 1888 act (now Art. 27, Sec. 485) to deny riparian owners in Virginia any rights to any material in the bed of the Potomac River. Subsequently, the Smoot Sand and Gravel Company sold its riparian land and other interests to the Potomac Sand and Gravel Company. The Board of Public Works now has two applications from the Potomac Sand and Gravel Company to dredge sand and gravel from two areas on the Virginia side of the Potomac River. Both applications have been referred to the Board of Natural Resources for advice. These applications may be described briefly as follows:

1. The Potomac Sand and Gravel Company owns and pays taxes on Craney Island which lies in Charles County on the Virginia side of the Potomac River. In 1962 the company applied to the Board of Public Works for permission to remove sand and gravel from an area of about 1,500 acres of the river in the vicinity of Craney Island. The application was referred to the Board of Natural Resources.

2. In the summer of 1963 the Potomac Sand and Gravel Company applied to the Board of Public Works for a lease on sand and gravel deposits between Mt. Vernon and the main channel of the Potomac River in an area formerly involved in the litigation against Smoot. Potomac Sand and Gravel Company has made agreements with riparian owners in Virginia who have consented to dredging on condition that operations remain 1,000 feet or more off the Virginia shore. This application and agreements with the citizens of Virginia have been referred to the Board of Natural Resources.

After the second of these two applications was referred to the Board of Natural Resources, the Secretary wrote to a number of other states requesting information on practices and procedures in leasing mineral deposits on public land under public waters. Several states kindly supplied laws, policy statements, lease forms, report forms, and other specific information. Practices differ from state to state, and even within a single state, depending on the circumstances. Accordingly, many conditions and terms in a lease, including the royalty, are negotiated with the applicant. Royalties paid the state in a few known instances are tabulated below. A cubic yard equals approximately 1 1/2 short tons.

	<u>Duration</u>	<u>Royalties</u>
		<u>Cu. Yd.</u>
<u>Michigan</u>	1 yr.	
Gravel		20¢
Sand and gravel mix		18¢
Commercial sand, except core sand		15¢
Core sand		8¢
Backfill material		8¢
<u>Ohio</u>	3 yrs.	
All sand and gravel		15¢
<u>Florida</u>	1 yr.	
All (?) sand and gravel		15¢
<u>Indiana</u>	1 to 5 yrs.	
From White and Wabash Rivers		5¢
From Lake Michigan		
Commercial grade sand		10¢
Fill sand		5¢
<u>Louisiana</u>	5 yrs.	
Sand, unscreened		5 1/2¢
Gravel, screened and washed		15¢
Gravel and sand, unscreened		10¢
Fill materials and/or fill sand		2 1/2¢
<u>New Jersey</u>	5 yrs.	
All material (prior to April 30, 1965)		6¢

In 1961 the average value of Maryland sand and gravel at the plant or shipping point was \$1.36 per ton. It is suggested that the Board of Natural Resources recommend that the Board of Public Works offer the Potomac Sand and Gravel Company a 3-year lease on ^{the mt Vernon area;} ~~each of the two areas for which a lease is sought~~; that the Company pay the State 6¢ for each short ton of sand and gravel, or either, removed from ^{the} ~~each~~ lease; and that the terms and conditions of each lease be substantially as shown in the draft attached hereto. (~~Lease available on November 25.~~)

Potomac Sand and Gravel Co.

Heubeck: Read ~~XXXXXX~~ recommendation of the Board of Natural Resources, as to a 3-year lease at 6¢. The Board did not accept this recommendation. The Attorney General said this is fine but it is not a matter of law but of deciding what royalty should be agreed upon. The ~~XXXXXX~~ Committee suggested 10¢ and they are standing on the 6¢ royalty. The Problem is to resolve the difference in the royalty. The Corps of Engineers have agreed provided the State does not object -- this taking of sand and gravel in the Mt. Vernon area.

LLG: Does Mr. Bolton have any objections?

Green: There is no objection from the 4 abutting property owners.

Leutkemeyer: Economically, what is wrong with 10¢?

Bayliff: It is better than 6¢. I can't justify the 6¢ - our Board couldn't be too specific about setting a royalty. We don't know what to say. Gravel is worth more than sand. We are in the dark about what is there.

Green: We have never prospected this area. Based on adjacent areas, we estimate 1 and 1/4 million tons - but we have never been on this property. We are going by sound on this. We don't know about the tons of gravel and sand. The material would not come back -- that is why we are going further and further down the Potomac. Because of the geological situation of gravel and sand, they never come back for thousands of years.

Bayliff: The Board of Natural Resources put 6¢ on as we are in the dark as to what is there. We did not know enough about their business and what they would sell.

Leutkemeyer: What if we took the guess work out of the proposal and made a composite price for gravel and sand. Some states have a different charge for sand and for gravel.

Bayliff: We started with taking the market price and taking a percentage of each. In the case of petroleum, it is 1/8th in money. We didn't know how to put the percentage.

Green: We keep separate records, but in most locations it is one price. It is variable with the company as to how long it would take to take it out. We cannot do it as rapidly down there. Cannot work on Sundays. Perhaps it would take 2 to 4 years. Probably, it would be 3 or 4 years for excavating purposes. We hope there is more there, actually. Our Board of Directors went along with the 6¢.

Gov.: The Board is unanimous that 10¢ per ton is what Maryland feels we would be safe in approving, and in approving an agreement on that basis. The Board would approve an agreement on the basis of 10¢.

Leutkemeyer: We would be glad to have * it broken down and have the unknown taken out of the picture.

Bayliff: Maybe we can figure something like that. Borings to be taken. U.S. Geological Survey has been doing some sand and gravel studies on the land and in the area of the District of Columbia.

Gov.: We will leave it to you and the Potomac people to sit down and talk on the basis of 10¢.

Aug. 11, 1964

POTOMAC SAND AND GRAVEL *Company*

Mr. William H. Bayliff, Executive Secretary of the Board of Natural Resources, and Mr. Lloyd F. Green, Vice President and General Manager of the Potomac Sand and Gravel Company, appeared before the Board in connection with the proposed Royalty Agreement between the State and the Company. This Agreement would provide for the Company to pay a royalty for sand and gravel taken from the bed of the Potomac River between Mt. Vernon and the main channel of the River. The Company had previously proposed a royalty of six cents (6¢), which at that time had been supported by the Board of Natural Resources. The Board appointed a Committee to study the problem; this Committee recommended a royalty of ten cents (10¢) per ton.

After some discussion, the Board concluded that a royalty of ten cents (10¢) per ton should prevail and instructed Mr. Bayliff to work out the necessary Agreement between the State and the Company.

AH/

August 17, 1964

Mr. Lloyd F. Green,
Vice President and General Manager
Potomac Sand and Gravel Company
3020 K Street, N.W.
Washington-7, D. C.

Dear Mr. Green:

The Board of Public Works, at its meeting of August 11, 1964, considered your proposal to pay a royalty of six cents (6¢) per ton for sand and gravel taken from the bed of the Potomac River in the Mt. Vernon area.

After some discussion, the Board concluded that the royalty should be fixed at ten cents (10¢) per ton, and has instructed the Executive Secretary to the Board of Natural Resources to work up the appropriate agreement providing this is acceptable to your company.

We appreciate your cooperation.

Very truly yours,

Secretary.

AH/mb

cc- Mr. Bayliff.

August 17, 1964

Mr. William H. Bayliff, Executive Secretary
Board of Natural Resources
State Office Building
Annapolis, Maryland

Dear Mr. Bayliff:

I inclose copy of letter written to the Potomac Sand and Gravel Company relative to their proposal to pay a royalty of six cents (6¢) per ton for sand and gravel taken from the bed of the Potomac River in the Mt. Vernon area.

As you know, at its meeting of August 11, 1964, the Board of Public Works felt the royalty should be fixed at ten cents (10¢) per ton. It will be appreciated if you will arrange to meet with Mr. Green and work out an appropriate agreement.

Very truly yours,

Secretary.

mb/

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MARYLAND GEOLOGICAL SURVEY
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UNIVERSITY OF MARYLAND
BUREAU OF ENVIRONMENTAL HYGIENE,
STATE DEPT. OF HEALTH
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JOHNS HOPKINS UNIVERSITY



STATE OF MARYLAND
BOARD OF NATURAL RESOURCES
STATE OFFICE BUILDING
ANNAPOLIS

August 19, 1964

MEMBERS

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ERNEST A. VAUGHN
KENNETH N. WEAVER

WILLIAM H. BAYLIFF
EXECUTIVE SECRETARY

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
State Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

In reply to your letter of August 17,
I shall meet with representatives of the Potomac
Sand and Gravel Company when advised that the
Company will accept terms of a sand and gravel
lease proposed by the Board of Public Works on
August 11, 1964.

Very truly yours,

A handwritten signature in cursive script that reads "Wm. H. Bayliff".

William H. Bayliff
Executive Secretary

WHB:alt



November 10, 1964

POTOMAC SAND AND GRAVEL COMPANY

At its meeting of August 11, 1964, the Board again had before it the request of the Potomac Sand and Gravel Company for a permit to remove sand and gravel from the bed of the Potomac River between Mt. Vernon and the main channel of the river. At that time, the Board concluded that a royalty of ten cents (10¢) per ton should be paid for such materials.

The Secretary, today advised the Board that the Company, through a letter dated October 8, 1964, that such a royalty is too high and requested that the Board reconsider the six cents (6¢) rate offered by the Company previously.

After some discussion, the Board agreed to hold the rate of ten cents (10¢) per ton royalty, which it had previously set. However, if the economic situation, as the Company sees it, changes, the Board will be glad to reconsider the application for a permit based on the ten cents (10¢) per ton rate.

MB:fj
jn/

November 13, 1964

Mr. Lloyd F. Green
Vice President and General Manager
✓ Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington, D. C.

Re: Dredging Sand and Gravel
Potomac River
Vicinity of Mt. Vernon

Dear Mr. Green:

The Board of Public Works, at its meeting of November 10, 1964, considered your letter of October 8, 1964. You stated in that letter that the ten cents (10¢) per ton royalty was, in your opinion, too high, and you requested the Board to reconsider the six cents (6¢) rate.

After some discussion, the Board agreed to hold to the ten cents (10¢) per ton royalty which it had previously set.

If the economic situation, as you see it, should change, the Board will be glad to reconsider your application at the ten cents (10¢) rate.

Very truly yours,

Andrew Heubeck, Jr.
Secretary

AH:MB:fj

cc: Mr. Bayliff

October 13, 1964

Mr. Lloyd F. Green
Vice President & General Manager
✓ Potomac Sand and Gravel Company
3020 K Street, N. W.
Washington, D. C.

Re: Dredging Sand and Gravel
Potomac River
Vicinity of Mt. Vernon

Dear Mr. Green:

We acknowledge your letter of October 8th, in reference to the above dredging proposal.

The information you have submitted will be presented to the Board of Public Works at its next meeting which is scheduled for November 10, 1964.

Very truly yours,

Andrew Heubeck, Jr.
Secretary

MB:jn

cc: Mr. William H. Bayliff

*To hold
at 10 C*

*10/15/64
copy of these letters
to each member*

Potomac Sand and Gravel

C O M P A N Y

October 8, 1964

Mr. Andrew Heubeck, Jr.
Secretary
Board of Public Works
Annapolis, Maryland

In re: Dredging Sand and Gravel
Potomac River
Vicinity of Mt. Vernon

Dear Mr. Heubeck:

We have considered at length the ten cents (10¢) per ton royalty fixed by the Board of Public Works.

Our conclusion is that under present operating and competitive marketing conditions this royalty is too high. As we analyze our costs against selling prices, we are unable to see how the market will stand such a royalty.

This is the economic situation now and the picture may change. In the meantime we would ask that the Board reconsider the six cents (6¢) rate.

With best wishes.

Sincerely,

Lloyd F. Green

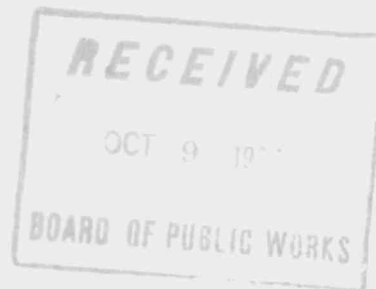
Lloyd F. Green
Vice President & General Mgr.

LFG/pam

cc: William H. Bayliff
Executive Secretary
Board of Natural Resources
Annapolis, Maryland

John Mason

File



COMMISSION

MAURICE SIEGEL
CHAIRMAN

ROBERT M. BROWN

R. LAMAR GREEN

ROBERT J. McLEOD

GEORGE F. HAZELWOOD

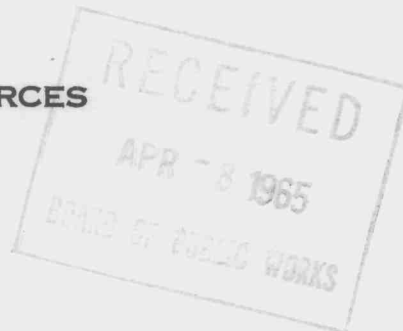


DIRECTOR
P. W. McKEE

STATE OF MARYLAND
DEPARTMENT OF WATER RESOURCES

STATE OFFICE BUILDING
ANNAPOLIS, MARYLAND 21401

April 8, 1965



Mr. Andrew Heubeck
Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

This is to acknowledge your letter of April 6, 1965, concerning the Potomac Sand & Gravel Company request to take and appropriate water from the Potomac River. Your suggestion that the Board of Natural Resources and its related member agencies be taken into consideration to determine that they have no objection to this operation will be followed.

Very truly yours,

Paul W. McKee
Director

PWM:dlt

April 6, 1965

Mr. Paul W. McKee, Director
Department of Water Resources
State Office Building
Annapolis, Maryland

Dear Mr. McKee:

Reference is made to your letter of April 2nd, in which you advised of the request for a permit to use water in the Potomac River by Potomac Sand & Gravel Company.

I have read the proposal made by Potomac Sand & Gravel Company. I would make one suggestion. Please be sure that the Board of Natural Resources and its related member agencies have no objection to this operation in connection with the marine life and other natural resources in the River. I think the Board of Public Works should know this.

Very truly yours,

Andrew Heubeck, Jr.
Secretary

AH:MB:jn

cc: Board of Natural Resources

COMMISSION

MAURICE SIEGEL
CHAIRMAN

ROBERT M. BROWN

R. LAMAR GREEN

ROBERT J. MCLEOD

GEORGE F. HAZELWOOD



DIRECTOR
P. W. MCKEE

STATE OF MARYLAND
DEPARTMENT OF WATER RESOURCES

STATE OFFICE BUILDING
ANNAPOLIS, MARYLAND 21401

April 2, 1965

Mr. Andrew Heubeck, Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

Enclosed is a copy of a report on the present dredging operations by the Potomac Sand and Gravel Company. This report also describes the new floating processing plant which will go into operation early this summer.

The Potomac Sand and Gravel Company has submitted application to the Department of Water Resources for a permit to appropriate and take an average of three million gallons of surface water per day from Mattawoman Creek near Mason Springs, Maryland and an average of 5.2 million gallons of surface water per day from the Potomac River between Marshall Hall and Hollis Point. This surface water is to be used for washing sand and gravel on dredges digging the material from the bed of the River. A hearing has been scheduled for April 27, 1965, at 2:00 p.m. in the Department of Water Resources office.

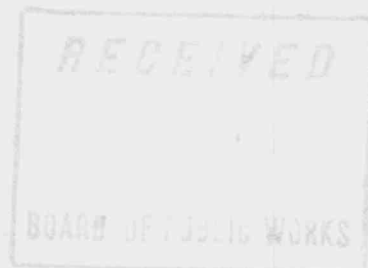
The Department of Water Resources requests that you review this report regarding the washing of the sand and gravel and would like to receive any comments which you may have regarding this operation.

Very truly yours,

Paul W. McKee
Director

PWM:dlt

Enclosure



COMMISSION

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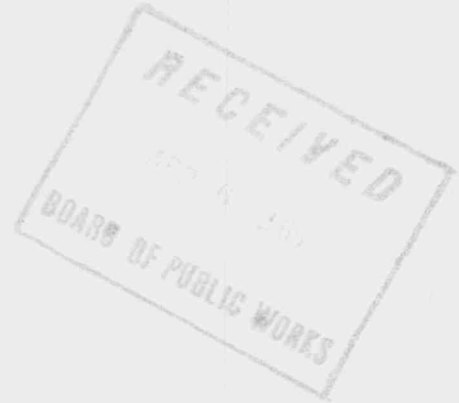


DIRECTOR
P. W. McKEE

STATE OF MARYLAND
DEPARTMENT OF WATER RESOURCES

STATE OFFICE BUILDING
ANNAPOLIS, MARYLAND 21401

April 6, 1965



Mr. Andrew Heubeck, Secretary
Board of Public Works
Treasury Building
Annapolis, Maryland

Dear Mr. Heubeck:

Inadvertently the third page of the letter from the Potomac Sand and Gravel Company to the Department of Water Resources, dated March 31, 1965, was not enclosed in my letter to you on April 2, 1965.

Enclosed is the third page of this letter reporting the operations of the Potomac Sand and Gravel Company by Mr. David A. Parker.

Very truly yours,

Paul W. McKee
Director

PWM:dlt

Enclosure

Potomac Sand and Gravel

C O M P A N Y

March 31, 1965

Department of Water Resources
State of Maryland
State Office Building
Annapolis, Maryland, 21401

Attention: Mr. Paul W. Mc Kee, Director

Dear Mr. McKee:

In response to our meeting early this month, herein are described our various dredging operations.

We are presently operating two dredging machines on the river. They are known as No. 5 dredge and No. 8 dredge. It is planned that No. 5 dredge will be retired from service in early summer this year, when a new floating processing plant is put into operation.

No. 8 dredge digs raw material from the bed of the river by means of an endless bucket chain mounted on a steel boom. Depth of digging is limited by the length of the boom to about 50 ft. below the water surface. This machine is capable of processing about 400 tons per hour of raw material.

As the raw material is brought up from the bottom of the river, it is dumped into a receiving hopper from which it is washed into a rotary screen. Here the raw material is washed and the basic separation is made between fine aggregate and coarse aggregate. All material passing a 3/8" square opening is washed into a large vat where excessive fines and other deleterious materials are removed by decantation. The decanted waste from this process is exhausted into the river beneath the hull of the dredge. The fine aggregate in the vat is elevated to the top of the dredge by another endless bucket chain. Here it is dumped into a hopper where water is added to form a slurry which passes down a chute into a barge. There is a gravity screen section in this chute for separating a portion of the finer fraction of sand for use as mortar sand and to balance the proportion of fine sand in the concrete sand.

The rough graded coarse aggregate from the main rotary screen flows into a vat similar to the one for fine aggregate, where it, too, is elevated by endless bucket chain to the top of the dredge, where it is dumped into a second rotary screen for final washing and grading. From this screen, it is dewatered and loaded out into barges by means of chutes and a conveyor.

(con't)

Large boulders and cobbles brought up from the river bottom are run through the main screen and wasted into the river through a well in the center of the dredge hull.

Water used for all washing is pumped from the river and returned to the river. Wash water requirement for this machine is about 2.7 million gallons per day, 5 days per week.

The new floating processing plant, which will go into operation early this summer, is not actually a dredge in that it has no means of itself to produce the raw material from the bottom of the river. This is done by a separate derrick boat unit with a 5 cubic yard clamshell bucket. This derrick boat loads raw material into a hopper on the processing plant, from which it is fed onto a two deck vibratory screen. The oversize material from the top deck is fed into a cone crusher and from there into a log washer. The oversize from the second deck is fed directly into the log washer. From the log washer, the gravel is further washed and dewatered on a single deck vibratory screen and moved by conveyor belt to a 3 deck vibratory gravel grading screen where it is graded into specification sizes and loaded by conveyors into barges.

The fine material, which passes both decks of the first screen process is slurréed into a sump from which it is pumped to a two deck grading screen and into a sand classifier system consisting of a 3-cell classifying tank and a double sand screw. The sand is separated into two gradations in the classifying tank and dewatered in the double screw from which it is loaded by conveyor belts into barges.

Wash water from the log washer, the single deck and triple deck gravel screens, and the sand classifier and screws is run back into the river through wells in the hull of the plant.

This plant is capable of processing 400 tons of raw material per hour. At maximum capacity, the wash water requirement is about 3.0 million gallons per day, 5 days per week. All wash water is pumped from and returned to the river at the plant.

In addition to the two machines described above, we operate a small sand processing plant mounted on a barge. This plant is equipped with a vibratory scalping screen, a two cell classifier and a double sand screw. It is capable of handling only sand at an input rate of about 150 tons per hour. The oversize material from the scalping screen is run back into the river through a well in the barge. The rest of the sand is pumped into the classifier where it is graded and recombined to the proper specification. The product from one of the cells is fed into the dewatering screws and loaded out onto a barge by conveyor belt. The product from the other cell can either

(con't)

be pumped into a barge or run back overboard through a well. Overflow water from the classifier and dewatering screw is returned to the river. Wash water requirement for this operation is 0.8 million gallons per day, 5 days per week from April through October.

If you have any questions regarding these operations, please do not hesitate to call on us.

Enclosed are applications for permits to appropriate surface water at the two locations where we are presently dredging. The notice of said applications is now being advertised in the La Plata Times-Crescent and we would like to schedule a hearing at your regular meeting on April 27, 1965. We hope that this will meet with your approval.

Very truly yours,

David A. Parker
Engineer

DAP/pam

enc.

APPLICATION FOR PERMIT TO APPROPRIATE AND TAKE SURFACE WATER

Washington, D.C., Md.

March 31, 1965

To the Department of Water Resources:

In compliance with the provisions of Chapter 73, Acts of 1964, of the General Assembly of Maryland which empower the Department of Water Resources to exercise certain powers and perform certain duties by law vested in and imposed upon the Department of Water Resources of the State of Maryland

Potomac Sand and Gravel Company, 3020 K Street, N.W.

(Here give name and address of person or persons, partnership, association, corporation, the State or any political subdivision thereof.)

Washington, D.C.

hereby makes application for the permission of the Department of Water Resources to use the following amounts of water from The Potomac River between Marshall Hall and Hollis Point

(Here give name of stream)

Maximum - 6.4 million gal.; average - 5.2 million gal; minimum 3.5 million gal;

(Here give the estimated maximum, minimum, and average daily water

March through November. Maximum - 6.4 million gal.;; average - 3.8 million

consumption and the maximum, minimum, and average water consumption

gallons; minimum - .5 million gallons; December through February for each month of the year.)

The water will be taken from the stream at the point marked with a (1) and a large arrow on the attached topographic map. (Use either county topographic map published by the Department of Geology, Mines and Water Resources or topographic quadrangle published by U. S. Geological Survey.)

The water will be used for the following purposes: To provide

water for washing sand and gravel on dredges digging this

(Here give a general description of the uses to which the water is to be put)

material from the Bed of the river.

POTOMAC SAND AND GRAVEL COMPANY

Lloyd F. Green
Signature of Applicant
Lloyd F. Green, Gen. Mgr.

3020 K Street, N.W., Wash. D.C.

Address of Applicant

APPLICATION FOR PERMIT TO APPROPRIATE AND TAKE SURFACE WATER

Washington, D.C., ~~1964~~

March 31, 1965

To the Department of Water Resources:

In compliance with the provisions of Chapter 73, Acts of 1964, of the General Assembly of Maryland which empower the Department of Water Resources to exercise certain powers and perform certain duties by law vested in and imposed upon the Department of Water Resources of the State of Maryland

Potomac Sand and Gravel Company, 3020 K Street, N.W.
(Here give name and address of person or persons, partnership, association, corporation, the State or any political subdivision thereof.)

Washington, D.C.

hereby makes application for the permission of the Department of Water Resources to use the following amounts of water from Mattawoman

Creek near Mason Springs Maryland.

(Here give name of stream)

Maximum - 3.8 million gal.; average - 3.0 million gal.; minimum 2.2 million gal.;

(Here give the estimated maximum, minimum, and average daily water

March through November. Maximum - 3.2 million gal.; average - 2.0 million

consumption and the maximum, minimum, and average water consumption

gallons; minimum - .5 million gallons; December through February for each month of the year.)

The water will be taken from the stream at the point marked with a (1) and a large arrow on the attached topographic map. (Use either county topographic map published by the Department of Geology, Mines and Water Resources or topographic quadrangle published by U. S. Geological Survey.)

The water will be used for the following purposes To provide water for washing sand and gravel on dredges digging this material
(Here give a general description of the uses to which the water is to be put)

To from the bed of the river

In compliance with the provisions of Chapter 73, Acts of 1964, of the General Assembly of Maryland which empower the Department of Water Resources to exercise certain powers and perform certain duties by law vested in and imposed upon the Department of Water Resources of the State of Maryland

Potomac Sand and Gravel Company

Signature of Applicant
Lloyd F. Green, General Manager
3020 K Street, N.W., Wash., D.C.

Potomac Sand and Gravel Company, 3020 K Street, N.W., Wash., D.C.
(Here give name and address of person or persons, partnership, association, corporation, the State or any political subdivision thereof.)