

Item 21, Page 1488 - 12/28/51 - Amended by Item 41, Page 1547, 4/18/52

21. (APPLICATION FOR PROSPECTING PERMIT, HENRY O. JACOBS, LOS ANGELES COUNTY - W.O. 1140, P.R.C. 1223 AND P.R.C. 1224.) An application has been received from Mr. Henry O. Jacobs of Los Angeles for permission to prospect for gold, silver and other buried treasure on a portion of Fish Canyon in Section 16, Township 1 North, Range 10 West, S.B.M., Los Angeles County. The application is based on a theory by Mr. Jacobs that he can decipher markings in the canyon which indicate the location of treasure buried by Indians. Lots 64 and 74 in Fish Canyon, the areas for which permit is sought, contain only an aggregate of 0.20 acres. Therefore, it is proposed that any prospecting permit issued cover additional area to provide one acre minimum for the permit. In connection with the application for prospecting permit, Mr. Jacobs has also requested permission to widen the existing Fish Canyon trail at his own cost in order that he might move small mining machinery to the prospect location. Filing fee has been paid.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT TO MR. HENRY O. JACOBS FOR ONE ACRE OF VACANT STATE SCHOOL LAND IN FISH CANYON, SECTION 16, TOWNSHIP 1 NORTH, RANGE 10 WEST, S.B.M., LOS ANGELES COUNTY, PURSUANT TO THE PUBLIC RESOURCES CODE, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS TO BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

1. FOR GOLD ORE IN PLACE:
 $R = 2.00 + 0.01 (C-20.00)^2$

FOR SILVER ORE IN PLACE:
 $R = 2.00 + 0.005 (C-20.00)^2$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON

C = WEIGHTED AVERAGE GROSS SALES PRICE PER UNIT
 DETERMINED AT THE END OF THE FIRST YEAR OF
 THE LEASE AND EVERY FOUR YEARS THEREAFTER;

THE MAXIMUM ROYALTY SHALL NOT EXCEED 50% OF THE AVERAGE GROSS SALES PRICE OF THE ORE;

2. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, GEMS AND TREASURE TROVE FOUND NOT IN PLACE BUT BURIED OR OTHERWISE STORED IN THE DEMISED PREMISES THE ROYALTY SHALL BE ONE-HALF OF THE GROSS MARKET VALUE FOR ALL MATERIAL REMOVED FROM THE DEMISED PREMISES;

AND FURTHER AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE LETTER PERMISSION TO MR. JACOBS TO WIDEN THE EXISTING FISH CANYON TRAIL AT HIS OWN EXPENSE, THE CONSIDERATION FOR SUCH PERMIT TO BE THE ADVANTAGE OF AN IMPROVED TRAIL FOR OTHER STATE LESSEES IN THE FISH CANYON AREA. ISSUANCE OF THE PERMITS IS TO BE SUBJECT TO CONCURRENCE BY THE UNITED STATES FOREST SERVICE, TO WHICH THE FISH CANYON AREA HAS BEEN OFFERED FOR A LAND EXCHANGE.