

MINUTE ITEM

18. APPLICATION FOR A PROSPECTING PERMIT, IMPERIAL COUNTY, CROWN MINING CO., INC. - W.O. 3111, P.R.C. 2359.2.

After consideration of Calendar Item 16 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE A TWO-YEAR PROSPECTING PERMIT TO CROWN MINING CO., INC., FOR 160 ACRES OF VACANT STATE SCHOOL LAND IN THE NE $\frac{1}{4}$  OF SECTION 36, T. 12 S., R. 19 E., S.B.B. & M., IMPERIAL COUNTY, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRODUCED AND EXTRACTED FROM SAID LEASED PREMISES, TO BE DETERMINED AS FOLLOWS:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS

$$R = 3.00 + 0.01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

$$R = 3.00 + 0.37 (C - 60.00)$$

3. FOR NONMETALLIC MINERALS

$$R = 0.40 + 0.05 (C - 8.00)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE

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

THE MINIMUM ROYALTY UNDER ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS AND RADIOACTIVE MINERALS, \$3.00 PER TON.
2. FOR NONPRECIOUS METALLIC MINERALS, \$3.00 PER TON.
3. FOR NONMETALLIC MINERALS, \$0.40 PER TON.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS AND RADIOACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NON-METALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.

Attachment  
Calendar Item 16 (2 pages)

CALENDAR ITEM

16.

(APPLICATION FOR A PROSPECTING PERMIT, IMPERIAL COUNTY, CROWN MINING CO., INC. W.O. 3111.)

An application has been received from the Crown Mining Co., Inc., a Nevada corporation of Las Vegas, Nevada, for a permit to prospect for all minerals on 160 acres of vacant State school land in the NE $\frac{1}{4}$  of Section 36, T. 12 S., R. 19 E., S.B.B.& M., Imperial County.

Field reconnaissance and record review by the staff have shown that the area for which application has been made cannot be classified at this time to be known to contain commercially valuable deposits of minerals. The statutory filing fee of \$5 has been paid and the permit fee of \$160 has been deposited by the applicant.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A TWO-YEAR PROSPECTING PERMIT TO CROWN MINING CO., INC. FOR 160 ACRES OF VACANT STATE SCHOOL LAND IN THE NE $\frac{1}{4}$  OF SECTION 36, T. 12 S., R. 19 E., S.B.B.& M., IMPERIAL COUNTY, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRODUCED AND EXTRACTED FROM SAID LEASED PREMISES, TO BE DETERMINED AS FOLLOWS:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS

$$R = 3.00 + 0.01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

$$R = 3.00 + 0.37 (C - 60.00)$$

3. FOR NONMETALLIC MINERALS

$$R = 0.40 + 0.05 (C - 8.00)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE

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

THE MINIMUM ROYALTY UNDER ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS AND RADIOACTIVE MINERALS, \$3.00 PER TON.
2. FOR NONPRECIOUS METALLIC MINERALS, \$3.00 PER TON.
3. FOR NONMETALLIC MINERALS, \$0.40 PER TON.

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THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS AND RADIOACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.