

MINUTE ITEM

12. APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, FRESNO COUNTY -
W.O. 3356, P.R.C. 2599.2.

After consideration of Calendar Item 21 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 EXECUTE AND ISSUE TO S. A. TANNER A TWO-YEAR PROSPECTING
PERMIT, FOR ALL MINERALS OTHER THAN OIL OR GAS, ON 151 ACRES, MORE OR LESS,
OF VACANT STATE SCHOOL LAND IN LOTS 7, 8, 9, 13 AND 17 IN THE SE $\frac{1}{4}$ OF SECTION
36, T. 18 S., R. 12 E., M.D.B. & M., FRESNO COUNTY, FOR A PERMIT FEE OF \$151,
WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF
COMMERCIALY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRO-
DUCED, EXTRACTED OR SOLD FROM SAID LEASE 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

$$R = 1.00 + 0.20 (C - 15.00)$$

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

C = WEIGHTED AVERAGE OF GROSS SALES PRICE OF ORE SOLD DETER-
MINED ON A QUARTERLY BASIS DURING THE FIRST YEAR IN WHICH
SALES OCCUR. THEREAFTER THE WEIGHTED AVERAGE DETERMINED
BY GROSS SALES PRICE OF ORE SOLD DURING THE PREVIOUS YEAR
IN WHICH SALES OCCURRED.

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 OF ORE.

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

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.

Attachment
Calendar Item 21 (2 pages)

CALENDAR ITEM

21.

APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, FRESNO COUNTY - W.O. 3356.

An application has been received from S. A. Tanner of Coalinga, California, for a permit to prospect for all minerals other than oil or gas on 151 acres of vacant State school land in Lots 7, 8, 9, 13 and 17 in the SE $\frac{1}{4}$ of Section 36, T. 13 S., R. 12 E., M.D.B. & M., Fresno County,

This area was formerly held under P.R.C. 1258.2, a preferential mineral extraction lease issued to Andrew Thickstun on December 5, 1952. Subsequently, the lease was assigned to Myco Mining Corp. on February 1, 1958. The State Lands Commission accepted a quitclaim from Myco Mining Corp. on December 1, 1959.

Field reconnaissance and record review by the staff have shown that most of the chrome ore has been removed. In addition, the depressed chrome market and the poor quality of ore present have made this venture uneconomical. Presently, this area cannot be classified as known to contain commercially valuable mineral deposits.

The statutory filing fee of \$5 has been paid, and the permit fee of \$151 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 EXECUTE AND ISSUE TO S. A. TANNER A TWO-YEAR PROSPECTING PERMIT, FOR ALL MINERALS OTHER THAN OIL OR GAS, ON 151 ACRES, MORE OR LESS, OF VACANT STATE SCHOOL LAND IN LOTS 7, 8, 9, 13 AND 17 IN THE SE $\frac{1}{4}$ OF SECTION 36, T. 13 S., R. 12 E., M.D.B. & M., FRESNO COUNTY, FOR A PERMIT FEE OF \$151, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRODUCED, EXTRACTED OR SOLD FROM SAID LEASE 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

$$R = 1.00 + 0.20 (C - 15.00)$$

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

C = WEIGHTED AVERAGE OF GROSS SALES PRICE OF ORE SOLD DETERMINED ON A QUARTERLY BASIS DURING THE FIRST YEAR IN WHICH SALES OCCUR. THEREAFTER THE WEIGHTED AVERAGE DETERMINED BY GROSS SALES PRICE OF ORE SOLD DURING THE PREVIOUS YEAR IN WHICH SALES OCCURRED.

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CALENDAR ITEM 21. (CONTD.)

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 OF ORE.

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

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.