

MINUTE ITEM

9. APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASE, RIVERSIDE COUNTY;
MR. AL ROBERT BROOKS - W.O. 4427, P.R.C. 2900.2.

After consideration of Calendar Item 33 attached, and upon motion duly made
and carried, the following resolution was adopted:

THE COMMISSION DETERMINES THAT VALUABLE DEPOSITS OF MINERALS HAVE BEEN DIS-
COVERED WITHIN THE LIMITS OF PROSPECTING PERMIT P.R.C. 2564.2, AND AUTHORIZES
THE EXECUTIVE OFFICER TO ISSUE TO AL ROBERT BROOKS A PREFERENTIAL MINERAL
EXTRACTION LEASE, IN ACCORDANCE WITH DIVISION 6 OF THE PUBLIC RESOURCES CODE,
FOR A PERIOD OF TEN YEARS, COVERING 160 ACRES IN THE NW $\frac{1}{4}$ OF SECTION 16, T.
2 S., R. 5 E., S.B.B.& M., RIVERSIDE COUNTY, SUBJECT TO (1) THE DEPOSITS OF
A PERFORMANCE BOND IN THE AMOUNT OF \$1,000, AND (2) A MINIMUM EXTRACTION
REQUIREMENT OF 600 TONS OF ORE EACH LEASE YEAR. THE ROYALTY UPON ALL MINERALS
PRODUCED THEREUNDER AND EXTRACTED FROM SAID LEASE PREMISES IS TO BE DETERMINED
AS FOLLOWS:

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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS,

$$R = 1.50 + .2 (C - 20.00)$$

3. FOR NONMETALLIC MINERALS,

$$R = .20 + .15 (C - 3.00)$$

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.

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,

\$1.50 PER TON OF ORE

3. FOR NONMETALLIC MINERALS,

\$0.20 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 33 (2 pages)

CALENDAR ITEM

33.

APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASE, RIVERSIDE COUNTY,
MR. AL ROBERT BROOKS - W.O. 4427.

Prospecting Permit P.R.C. 2564.2, covering the NW $\frac{1}{4}$ of Section 16, T. 2 S.,
R. 5 E., S.B.B. & M., Riverside County, was issued on July 7, 1960, to
Mr. Al Robert Brooks, the surface owner.

An application for a preferential mineral extraction lease has been received
from Mr. Brooks, pursuant to Section 14 of Prospecting Permit P.R.C. 2564.2,
which states that the permittee, upon establishing to the satisfaction of the
Commission that valuable deposits of minerals have been discovered, shall be
entitled to a lease for not more than 160 acres of the area within the permit,
in accordance with the provisions of Division 6 of the Public Resources Code,
and at the royalty rate specified in the permit.

A field reconnaissance disclosed that exploratory work has developed a body
of dolomite ore of approximately 50,000 tons; total shipments of 95 tons of
this ore have been made from the permit area. The average sales price was
\$5.00 per ton. The minimum royalty under the lease schedule will be 20 cents
per ton for dolomite ore extracted and shipped.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THAT VALUABLE DEPOSITS OF
MINERALS HAVE BEEN DISCOVERED WITHIN THE LIMITS OF PROSPECTING PERMIT P.R.C.
2564.2, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO AL ROBERT BROOKS A
PREFERENTIAL MINERAL EXTRACTION LEASE, IN ACCORDANCE WITH DIVISION 6 OF THE
PUBLIC RESOURCES CODE, FOR A PERIOD OF TEN YEARS, COVERING 160 ACRES IN THE
NW $\frac{1}{4}$ OF SECTION 16, T. 2 S., R. 5 E., S.B.B. & M., RIVERSIDE COUNTY, SUBJECT
TO (1) THE DEPOSIT OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000, AND (2)
A MINIMUM EXTRACTION REQUIREMENT OF 600 TONS OF ORE EACH LEASE YEAR. THE
ROYALTY UPON ALL MINERALS PRODUCED THEREUNDER AND EXTRACTED FROM SAID LEASE
PREMISES IS TO BE DETERMINED AS FOLLOWS:

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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS,

$$R = 1.50 + .2 (C - 20.00)$$

3. FOR NONMETALLIC MINERALS,

$$R = .20 + .15 (C - 3.00)$$

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

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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.

CALENDAR ITEM 33. (CONTD.)

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\$3.00 PER TON OF ORE

2. FOR NONPRECIOUS METALLIC MINERALS,

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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.