

MINUTE ITEM

11. APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY; HOWARD HUNT AND ADAM NATALIE - W.O. 4889, P.R.C. 3064.2.

After consideration of Calendar Item 9 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE TO HOWARD HUNT AND ADAM NATALIE A TWO-YEAR PROSPECTING PERMIT FOR ALL MINERALS OTHER THAN OIL AND GAS ON 94.127 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND COMPRISING THE $S\frac{1}{2}$ OF THE $SW\frac{1}{4}$ AND THAT PORTION OF THE $SW\frac{1}{4}$ OF THE $SE\frac{1}{4}$ OF SECTION 36, T. 1 N., R. 8 E., S.B.M., HAVING THE FOLLOWING DESCRIPTION:

BEGINNING AT THE $S\frac{1}{4}$ CORNER OF THE ABOVE SECTION 36; THENCE N. $0^{\circ} 05' W.$ 1373.44 FEET; THENCE N. $89^{\circ} 55' E.$ 1510 FEET; THENCE S. $31^{\circ} 40' 07'' E.$ 734.87 FEET; THENCE S. $0^{\circ} 05' E.$ 750.01 FEET TO THE SOUTH LINE OF THE AFOREMENTIONED SECTION; THENCE WEST 400 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 94.127 ACRES MORE OR LESS.

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 LEASE PREMISES, 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

$$R = 3.00 + 0.37 (C - 50.00)$$

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 PER TON OF ORE DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE ORE SOLD ON A QUARTERLY BASIS DURING THE FIRST YEAR OF THE LEASE, AND EACH YEAR THEREAFTER THE WEIGHTED AVERAGE TO BE DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE ORE SOLD DURING THE PREVIOUS YEAR.

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 PERCENT OF THE AVERAGE GROSS SALE'S PRICE OF THE ORE.

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

Attachment

Calendar Item 9 (2 pages)

CALENDAR ITEM

9.

APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY; HOWARD HUNT AND ADAM NATALIE - W.O. 4889.

An application has been received from Howard Hunt and Adam Natalie, partners, for a permit to prospect for all minerals other than oil and gas on 94.127 acres of vacant school land within the southern 1/2 of Section 36, T. 1 N., R. 8 E., S.B.B. & M., San Bernardino County.

Field reconnaissance has shown that the area cannot be classified at this time as being known to contain commercially valuable mineral deposits.

As required under Section 6890 of the Public Resources Code, the application was referred to the Office of the Attorney General, which advised that it complies with applicable laws and the Rules and Regulations of the State Lands Commission.

The \$5 statutory filing fee has been paid; the permit fee 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 HOWARD HUNT AND ADAM NATALIE A TWO-YEAR PROSPECTING PERMIT FOR ALL MINERALS OTHER THAN OIL AND GAS ON 94.127 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND COMPRISING THE S $\frac{1}{2}$ OF THE SW $\frac{1}{4}$ AND THAT PORTION OF THE SW $\frac{1}{4}$ OF THE SE $\frac{1}{4}$ OF SECTION 36, T. 1 N., R. 8 E., S.B.M., HAVING THE FOLLOWING DESCRIPTION:

BEGINNING AT THE S $\frac{1}{4}$ CORNER OF THE ABOVE SECTION 36; THENCE N. 0° 05' W. 173.44 FEET; THENCE N. 89° 55' E. 1510 FEET; THENCE S. 31° 40' 07" E. 734.87 FEET; THENCE S. 0° 05' E. 750.01 FEET TO THE SOUTH LINE OF THE AFOREMENTIONED SECTION; THENCE WEST 400 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 94.127 ACRES MORE OR LESS.

ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALLY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRODUCED EXTRACTED, OR SOLD FROM LEASE PREMISES, 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

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

CALENDAR ITEM 9. (CONTD.)

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 PER TON OF ORE DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE ORE SOLD ON A QUARTERLY BASIS DURING THE FIRST YEAR OF THE LEASE, AND EACH YEAR THEREAFTER THE WEIGHTED AVERAGE TO BE DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE ORE SOLD DURING THE PREVIOUS YEAR.

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 PERCENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

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