

MINUTE ITEM

12. APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY; DON C. HIBBERT - W.O. 4778; P.R.C. 3100.2.

After consideration of Calendar Item 3 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 DON C. HIBBERT, A TWO-YEAR PROSPECTING PERMIT FOR ALL MINERALS OTHER THAN OIL AND GAS FOR AN AREA OF STATE-OWNED VACANT SCHOOL LAND WITHIN THE NE $\frac{1}{4}$ OF SECTION 16, T. 15 N., R. 10 E., S.B.B.& M., SAN BERNARDINO COUNTY, FURTHER DESCRIBED AS FOLLOWS:

STARTING AT THE E $\frac{1}{4}$ CORNER OF SECTION 16 AND RUNNING N. 1,200 FEET; N. 88° 51' W. 1,500 FEET; S. 1,200 FEET; AND S. 88° 51' E. 1,500 FEET TO THE PLACE OF BEGINNING, CONTAINING 41.32 ACRES.

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 SAID 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

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

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 RADIO-ACTIVE 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.

Attachment

Calendar Item 3 (2 pages)

CALENDAR ITEM

3.

APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY: DON C. HIBBERT - W.O. 4778.

An application has been received from Don C. Hibbert for a permit to prospect for all minerals other than oil and gas on 41.32 acres of vacant State school land within the NE $\frac{1}{4}$ of Section 16, T. 15 N., R. 10 E., S.B.B.&M., San Bernardino County (see Exhibit "A" attached).

Field reconnaissance has shown that the area for which the application has been made 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 office has advised that the application complies with the applicable laws and the rules and regulations of the State Lands Commission.

The \$5 statutory filing fee has been paid, and the permit fee of \$41.32 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 DON C. HIBBERT, A TWO-YEAR PROSPECTING PERMIT FOR ALL MINERALS OTHER THAN OIL AND GAS FOR AN AREA OF STATE-OWNED VACANT SCHOOL LAND WITHIN THE NE $\frac{1}{4}$ OF SECTION 16, T. 15 N., R. 10 E., S.B.B.&M., SAN BERNARDINO COUNTY, FURTHER DESCRIBED AS FOLLOWS:

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N. 88° 51' W. 1,500 FEET; S. 1,200 FEET; AND S. 88° 51' E. 1,500 FEET
TO THE PLACE OF BEGINNING, CONTAINING 41.32 ACRES.

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

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

2. FOR NONPRECIOUS METALLIC MINERALS

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

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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.