

MINUTE ITEM

19. PROPOSED MINERAL EXTRACTION LEASE, IMPERIAL COUNTY; S. E. RYERSON AND EUGENE PINNER - W.O. 4341, P.R.C. 2101.2.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE A MINERAL EXTRACTION LEASE FOR A TERM OF FIVE YEARS TO STANLEY E. RYERSON AND FREDERICK E. PINNER, THE HIGHEST QUALIFIED BIDDERS, FOR 80 ACRES OF LANDS, SOLD WITH ALL MINERALS RESERVED TO THE STATE, DESCRIBED AS E $\frac{1}{2}$ OF SE $\frac{1}{4}$ OF SECTION 16, T. 13 S., R. 16 E., S.B.B. & M., IMPERIAL COUNTY, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING FORMULA FOR ALL SAND AND GRAVEL EXTRACTED:

$$R = 0.10 + .07 (C - 0.60)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER CUBIC YARD OF SAND AND GRAVEL EXTRACTED

C = WEIGHTED AVERAGE SALES PRICE OF SAND AND GRAVEL PER CUBIC YARD DETERMINED AT THE END OF THE FIRST LEASE YEAR AND EACH YEAR THEREAFTER, AND UTILIZED IN THE FORMULA FOR COMPUTING THE ROYALTY FOR THE ENSUING INTERVAL.

THE MINIMUM ROYALTY SHALL BE \$0.10 PER CUBIC YARD OF SAND AND GRAVEL EXTRACTED.

THE MAXIMUM ROYALTY HEREUNDER SHALL NOT EXCEED TWENTY-FIVE PERCENT (25%) OF THE WEIGHTED AVERAGE GROSS SALES PRICE.

A PERFORMANCE BOND IN THE PENAL SUM OF \$5,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachment
Calendar Item 15 (1 page)

CALENDAR ITEM

15.

PROPOSED MINERAL EXTRACTION LEASE, IMPERIAL COUNTY; S.E. RYERSON AND EUGENE PINNER - W.O. 4341.

On October 24, 1963, one bid was received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for extraction of sand and gravel from 80 acres of lands sold with mineral reservation to the State, near the City of Brawley, Imperial County, California. Publication of this offer was authorized by the Commission on August 29, 1963 (Minute Item 26, page 9208). (See Exhibits "A" & "B".)

The bidders, Stanley E. Ryerson and Frederick E. Pinner, offered a royalty of ten cents per cubic yard plus an additional increment of seven percent of the sales price in excess of 60 cents per cubic yard for all sand and gravel extracted.

The office of the Attorney General has advised that the bid of Stanley E. Ryerson and Frederick E. Pinner for the aforementioned sand and gravel lease complies with all applicable statutes of the Public Resources Code and with the Rules and Regulations of the Commission.

IT IS RECOMMENDED THAT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A MINERAL EXTRACTION LEASE FOR A TERM OF FIVE YEARS TO STANLEY E. RYERSON AND FREDERICK E. PINNER, THE HIGHEST QUALIFIED BIDDERS, FOR 80 ACRES OF LANDS, SOLD WITH ALL MINERALS RESERVED TO THE STATE, DESCRIBED AS E $\frac{1}{2}$ OF SE $\frac{1}{4}$ OF SECTION 16, T. 13 S., R. 16 E., S.B.B.&M., IMPERIAL COUNTY, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING FORMULA FOR ALL SAND AND GRAVEL EXTRACTED:

$$R = 0.10 + .07 (C - 0.60)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER CUBIC YARD OF SAND AND GRAVEL EXTRACTED

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THE MINIMUM ROYALTY SHALL BE \$0.10 PER CUBIC YARD OF SAND AND GRAVEL EXTRACTED.

THE MAXIMUM ROYALTY HEREUNDER SHALL NOT EXCEED TWENTY-FIVE PERCENT (25%) OF THE WEIGHTED AVERAGE GROSS SALES PRICE.

A PERFORMANCE BOND IN THE PENAL SUM OF \$5,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

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