

8/21/67

16. PROSPECTING PERMIT, SAN BERNARDINO COUNTY; AMERICAN EXPLORATION AND MINING COMPANY - W.O. 6615, P.R.C. 3812.2.

After consideration of Calendar Item 16 attached, and upon motion duly made and carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO AMERICAN EXPLORATION AND MINING COMPANY A TWO-YEAR PERMIT TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS ON 640 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS SECTION 16, T. 5 N., R. 15 E., S.B.B. & M., SAN BERNARDINO COUNTY.

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

$$R = 0.30 + 0.12 (C - 7.00)$$

3. FOR NONMETALLIC MINERALS

$$R = 0.40 + .05 (C - 8)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE MINED AND SHIPPED OR SOLD

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,

\$0.30 PER TON OF ORE

3. FOR NONMETALLIC MINERALS,

\$0.40 PER TON OF ORE

Rescinded by Minute Item 21, pg. 854, meeting of July 17, 1968  
 E.D. Denny

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 16 (2 pages)

16.

APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY; AMERICAN EXPLORATION AND MINING COMPANY - W.O. 6615.

An application has been received from American Exploration and Mining Company for a permit to prospect for all minerals other than oil and gas on a vacant State school section described as Section 16, T. 5 N., R. 15 E., S.B.B. & M., San Bernardino County.

Section 6891 of the Public Resources Code provides for the issuance to a qualified applicant of a prospecting permit for lands which are not known mineral lands.

The applicant intends to perform geological and geophysical work in conjunction with an exploratory drilling project. The work will be designed to locate a deposit of iron ore suitable for economic extraction.

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.

A field reconnaissance of the area has established that the land to be prospected is not known to contain commercially valuable deposits of minerals. The statutory \$5 filing fee and the permit fee of \$640 have 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 ISSUE TO AMERICAN EXPLORATION AND MINING COMPANY A TWO-YEAR PERMIT TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS ON 640 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS SECTION 16, T. 5 N., R. 15 E., S.B.B. & M., SAN BERNARDINO COUNTY.

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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

$$R = 0.30 + 0.12 (C - 7.00)$$

3. FOR NONMETALLIC MINERALS

$$R = 0.40 + .05 (C - 8)$$

CALENDAR ITEM 16. (CONTD.)

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE MINED AND SHIPPED OR SOLD

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,

\$0.30 PER TON OF ORE

3. FOR NONMETALLIC MINERALS,

\$0.40 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.