

9/25/67

31. PROSPECTING PERMIT, SAN BERNARDINO COUNTY; LYMAN E. DAVIS - W.O. 6519, P.R.C. 3827.2.

After consideration of Calendar Item 28 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 ISSUANCE TO LYMAN E. DAVIS OF A TWO-YEAR PROSPECTING PERMIT, AUTHORIZING PROSPECTING FOR MINERALS OTHER THAN OIL AND GAS ON 80 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS THE SE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  AND THE NE $\frac{1}{4}$  OF THE SW $\frac{1}{4}$  OF SECTION 16, T. 7 N., R. 10 E., S.E.B. & M., SAN BERNARDINO COUNTY.

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 SAID LEASE PREMISES, TO BE DETERMINED AS FOLLOWS:

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

$$R = 1.00 + .01 (C - 10.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.25 + 0.15 (C - 15.00)$$

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

\$1.00 PER TON OF ORE

2. FOR NONPRECIOUS METALLIC MINERALS

\$3.00 PER TON OF ORE

3. FOR NONMETALLIC MINERALS

\$1.25 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.

Attachment

Calendar Item 28 (2 pages)

28.

APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY; LYMAN E. DAVIS - W.O. 6519.

An application has been received from Lyman E. Davis, an individual, for a permit to prospect for minerals other than oil and gas on an 80-acre parcel of vacant State school land described as the SE $\frac{1}{4}$  of NW $\frac{1}{4}$  and NE $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 16, T. 7 N., R. 10 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 that are not known mineral lands.

The applicant proposes to explore the property precedent to developing gold deposits embedded in quartz and sulphide-type rock formations, and intends ultimately to employ open-pit mining to extract the minerals.

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 filing fee of \$5 has been paid, and the permit fee of \$80 has been deposited by the applicant.

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 the provisions of the Public Resources Code and with the Rules and Regulations of the State Lands Commission.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE ISSUANCE TO LYMAN E. DAVIS OF A TWO-YEAR PROSPECTING PERMIT, AUTHORIZING PROSPECTING FOR MINERALS OTHER THAN OIL AND GAS ON 80 ACRES OF VACANT STATE SCHOOL LAND DESCRIBED AS THE SE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  AND THE NE $\frac{1}{4}$  OF THE SW $\frac{1}{4}$  OF SECTION 16, T. 7 N., R. 10 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

$$R = 1.00 + .01 (C - 10.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.25 + 0.15 (C - 15.00)$$

CALENDAR ITEM 28. (CONTD.)

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

\$1.00 PER TON OF ORE

2. FOR NONPRECIOUS METALLIC MINERALS

\$3.00 PER TON OF ORE

3. FOR NONMETALLIC MINERALS

\$1.25 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.