

9/26/68

25. PERMITS TO PROSPECT FOR MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES, TIDE AND SUBMERGED LANDS OFFSHORE DEL NORTE AND HUMBOLDT COUNTIES; BUTTES GAS & OIL COMPANY - W.O. 7001, P.R.C. 4040.1; W.O. 7002, P.R.C. 4041.1; W.O. 7003, P.R.C. 4042.1; W.O. 7004, P.R.C. 4043.1; W.O. 7005, P.R.C. 4044.1.

After consideration of Calendar Item 25 attached, and upon motion duly made and carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FINDS THAT THE LAND DESCRIBED IN EXHIBIT "B" ATTACHED AND BY REFERENCE MADE A PART HEREOF IS NOT KNOWN MINERAL LAND, AND AUTHORIZES THE ISSUANCE OF FIVE STANDARD FORMS OF PERMIT TO BUTTES GAS & OIL COMPANY TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES IN SAID LAND, SUBJECT TO THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED SHALL BE IN ACCORDANCE WITH THE SCHEDULE IN EXHIBIT "C" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment

Calendar Item 25 (8 pages)

APPLICATIONS FOR PERMITS TO PROSPECT FOR MINERALS
OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES

APPLICANT: Buttes Gas & Oil Company

LOCATION: Offshore Del Norte and Humboldt counties

TYPE OF LAND: Tide and submerged

ACREAGE: 13,687.81 acres

METHOD OF EXPLORATION: Grab sampling and seismic survey probe (nonexplosive)

PREREQUISITE ITEMS: a. The applications have been submitted to the office of the Attorney General, which office states that such applications comply with the applicable provisions of the Public Resources Code and the Rules and Regulations of the State Lands Commission.

b. Areas not known to contain commercially valuable deposits of minerals.

c. Statutory filing fees and permit fees have been deposited by applicant.

OTHER PERTINENT INFORMATION:

The Department of Parks and Recreation, the Department of Fish and Game, the Department of Water Resources, and the Regional Water Quality Control Board were contacted, and the conditions requested by these agencies are contained in Exhibit "A".

A portion of the prospect area overlaps certain areas which have been granted to Crescent City and to Crescent City Harbor District, with minerals being reserved to the State. The City of Crescent City and the Board of Harbor Commissioners have been informed of the proposed operations offshore from that City.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FIND THAT THE LAND DESCRIBED IN EXHIBIT "B" ATTACHED AND BY REFERENCE MADE A PART HEREOF IS NOT KNOWN MINERAL LAND, AND AUTHORIZE THE ISSUANCE OF FIVE STANDARD FORMS OF PERMIT TO BUTTES GAS & OIL COMPANY TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES IN SAID LAND, SUBJECT TO THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED SHALL BE IN ACCORDANCE WITH THE SCHEDULE IN EXHIBIT "C" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachments: Exhibits "A", "B" and "C"

EXHIBIT "A"

1. A Report on Waste Discharge shall be filed with the Regional Water Quality Control Board before dredging is begun.
2. Permittee shall notify the Coast Guard in advance of any operations involving the use of anchor lines in order that navigation interests may be forewarned.
3. Commercial extraction operations shall not occur within one-half mile of the shore.
4. Prospecting or commercial extraction operations shall not cause turbidity in ocean waters greater than the background level of turbidity at a distance more than 600 yards beyond the site of operations or in kelp bed areas.
5. Settleable solids resulting from this operation shall be prohibited in rocky substrate areas and the beaches.
6. In the event that commercial extraction operations are conducted, the operator shall conduct a monitoring program to document conditions Nos. 2, 3, and 4.
7. If commercial quantities of minerals are found, the Department of Fish and Game has requested the right to review the applicant's monitoring program for compliance with these conditions.
8. Permittee must give the Department of Fish and Game 48 hours' notice of intent to conduct prospecting operations, and an observer is to be present at the discretion of the Department at the rate of \$60 per day for a total not to exceed 120 days in a 5-year period; such cost to be at the expense of the lessee.
9. No structures may be erected upon prospecting areas without prior consent of the State Lands Division.

EXHIBIT "B-1"

All that tide and submerged land located on the floor of the Pacific Ocean in Del Norte County, California, more particularly described as follows:

BEGINNING at U. S. Triangulation Station Sinestia 222, thence due East 625 feet to the true point of beginning of the herein described land; thence from said true point of beginning due South 11,965 feet to a point which bears North 79° West, 2,560 feet from the Northwest corner of Section 33, Township 18 North, Range 1 West, Humboldt Base Meridian; thence due West 5,800 feet, thence due North 4 miles (21,120 feet) to a point; thence due East 5,800 feet to a point which bears North 65° West, 2,485 feet from the Northwest corner of Section 9, Township 18 North, Range 1 West, Humboldt Base Meridian; thence due South 9,155 feet to the TRUE POINT OF BEGINNING, and containing 2812.12 acres, more or less.

Excepting therefrom any land which lies above the mean high tide line of the Pacific Ocean.

EXHIBIT "B-2"

All that tide and submerged land located on the floor of the Pacific Ocean in Del Norte County, California more particularly described as follows:

BEGINNING at a point which bears N 05° W 2,600 feet from USC & GS Triangulation Station HIGH BLUFF No. 378 (x = 1,430,741.07 E, y = 800,333.39 N); thence from said point of beginning the following six courses and distances:

- (1) N 90° W 5,700 feet; thence
- (2) N 09° W 9,600 feet; thence
- (3) N 22° W 10,200 feet; thence
- (4) N 90° E 5,500 feet; thence
- (5) S 33° E 9,800 feet; thence
- (6) S 00° 59' 25" E 10,721.71 feet; to the POINT OF BEGINNING, containing 2821.23 Acres, more or less.

EXCEPTING therefrom any land which lies above the ordinary high water mark of the Pacific Ocean.

NOTE: Bearings are taken from true north, U. S. Geological Survey Map, 15 minute series topographic sheet, Klamath Quadrangle, scale of map = 1:62,500.

EXHIBIT "B-3"

All that tide and submerged land located on the floor of the Pacific Ocean in Del Norte County, California, more particularly described as follows:

BEGINNING at a point which bears N 27° 30' W, 2915 feet from the southwest corner of Section 30, Township seven (7) North, Range one (1) East, Humboldt Base Meridian; thence from said point of beginning the following four courses and distances:

- 1) S 13° W 21,120 feet; thence
- 2) N 77° W 5,400 feet; thence
- 3) N 13° E 21,120 feet; thence
- 4) S 77° E 5,400 feet; to the POINT OF BEGINNING, containing 2618.18 acres, more or less.

EXCEPTING therefrom any land which lies above the ordinary high water mark of the Pacific Ocean.

NOTE: Bearings are taken from true North, U. S. Geological Survey Maps, 7.5 minute series topographic sheet, Tyea City and Arcata North Quadrangles, scale of maps = 1:24,000.

EXHIBIT "B-4"

All that tide and submerged land located on the floor of the Pacific Ocean in Del Norte County, California more particularly described as follows:

BEGINNING at the USC & GS Triangulation Station Round Rock
(x = 1,402,211.72 E, y = 381,360.88 N); thence from said point
of beginning the following courses and distances:

- (1) N 90° W 2,550 feet; thence
- (2) N 21° W 5,930 feet; thence
- (3) N 55° E 2,980 feet; thence
- (4) S 60° E 9,930 feet; thence
- (5) S 26° E 13,230 feet; thence
- (6) N 90° W 6,660 feet; thence
- (7) N 21° W 10,150 feet; thence
- (8) N 90° W 3,675 feet; to the
POINT OF BEGINNING, containing 2818.1 Acres, more or less.

EXCEPTING therefrom any land which lies above the ordinary
high water mark of the Pacific Ocean.

NOTE: Bearings are taken from true north, U. S. Geological Survey
Maps, 7.5 minute series topographic sheets, Sister Rocks and Crescent
City Quadrangles, scale of maps = 1:24,000.

EXHIBIT "B-5"

All that tide and submerged land located on the floor of the Pacific Ocean in Humboldt County, California, more particularly described as follows:

BEGINNING at a point which bears N 42° W 3,900 feet from USGS VABM CANNIBAL (x = 1,362,676.50 E, y = 485,122.66 N); thence from said point of beginning the following four courses and distances:

- (1) S 24° W 21,120 feet; thence
 - (2) N 66° W 5,400 feet; thence
 - (3) N 24° E 21,120 feet; thence
 - (4) S 66° E 5,400 feet to the
- POINT OF BEGINNING, containing 2618.18 Acres, more or less.

EXCEPTING therefrom any land which lies above the ordinary high water mark of the Pacific Ocean.

NOTE: Bearings are taken from true north, U. S. Geological Survey Maps, 7.5 minute series topographic sheets, Cannibal Island and Ferndale Quadrangles, scale of maps = 1:24,000.

EXHIBIT "C"

ROYALTY SCHEDULE

1. For gold, silver and other precious minerals

$$R = 0.05 + .04 (V - .50)^2 \text{ for values of } V \text{ greater than } 0.50$$

2. For nonprecious metallic minerals

$$R = 0.05 + .04 (V - .35) \text{ for values of } V \text{ greater than } 0.35$$

Where R = Royalty as a fraction of gross sales

V = Average unit value of the material processed (Dollars per cubic yard).

The minimum royalty for all minerals shall not be less than 5% of the gross sales.

The maximum royalty for gold, silver and other precious minerals shall not exceed 50 percent of the average gross sales price of the ore.

The maximum royalty for all nonprecious metallic minerals shall not exceed 25 percent of the average gross sales price of the ore.