

MINUTE ITEM

1/7/70
JFS

21. PERMIT TO PROSPECT FOR MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES, VACANT SCHOOL LAND, SAN BERNARDINO COUNTY; OTIS L. HATCH - W-6576, P.R.C. 4393.2.

After consideration of Calendar Item 34 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 $W\frac{1}{2}$ OF $NE\frac{1}{4}$ AND $NW\frac{1}{4}$ OF $SE\frac{1}{4}$, SECTION 36, T. 8 N., R. 11 E., S.B.B. & M., SAN BERNARDINO COUNTY, CONTAINING 120 ACRES MORE OR LESS, IS NOT KNOWN MINERAL LAND, AND AUTHORIZES THE ISSUANCE OF THE STANDARD FORM OF PERMIT TO OTIS L. HATCH TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES IN SAID LAND.

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 SET FORTH IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment

Calendar Item 34 (2 pages)

34.

APPLICATION FOR PERMIT TO PROSPECT FOR MINERALS
OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES

APPLICANT: Otis L. Hatch.

LOCATION: $W\frac{1}{2}$ of $NE\frac{1}{4}$ and $NW\frac{1}{4}$ of $SE\frac{1}{4}$, Section 36, T. 8 N., R. 11 E., S.B.B. & M., San Bernardino County.

TYPE OF LAND: Vacant school lands.

ACREAGE: 120.

SURFACE OWNER: State of California.

MINERALS SOUGHT: Perlite.

METHOD OF EXPLORATION: Coring and Geological survey.

PREREQUISITE ITEMS: 1. The proposed royalty schedule has been accepted by applicant.

2. The application and documents have been reviewed by the Attorney General's Office for compliance with applicable provisions of law and the rules and regulations of the Commission.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FIND THAT THE $W\frac{1}{2}$ OF $NE\frac{1}{4}$ AND $NW\frac{1}{4}$ OF $SE\frac{1}{4}$, SECTION 36, T. 8 N., R. 11 E., S.B.B. & M., SAN BERNARDINO COUNTY, CONTAINING 120 ACRES MORE OR LESS, IS NOT KNOWN MINERAL LAND, AND AUTHORIZE THE ISSUANCE OF THE STANDARD FORM OF PERMIT TO OTIS L. HATCH TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES IN SAID LAND.

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 SET FORTH IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment: Exhibit "A"

EXHIBIT "A"

Royalty payable under any preferential lease issued upon discovery of commercially valuable deposits of minerals, upon any and all mineral produced, extracted, or sold from said lease premises, to be determined as follows:

1. For gold, silver, other precious minerals, and radioactive minerals

$$R = 3.00 + .01 (C - 60.00)^2$$

2. For nonprecious metallic minerals

$$R = 1.00 + 0.37 (C - 30.00)$$

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,

\$3.00 per ton of ore

2. For nonprecious metallic minerals,

\$1.00 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.