

MINUTE ITEM

7/25/72
JFS

10. RENEWAL OF MINERAL EXTRACTION LEASE PRC 2900.2, SCHOOL LAND, RIVERSIDE COUNTY; AL ROBERT BROOKS - W 9537, PRC 2900.2.

After consideration of Calendar Item 9 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE RENEWAL OF MINERAL EXTRACTION LEASE PRC 2900.2 FOR A TEN-YEAR TERM COMMENCING JUNE 28, 1972, WITH AN ANNUAL RENTAL OF \$160, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT; PROVIDED, HOWEVER, THAT THE ROYALTY RATE SHALL BE SUBJECT TO RENEGOTIATION WITHIN THREE YEARS OF THE RENEWAL DATE OF THIS LEASE.

Attachment:

Calendar Item 9 (1 page)

CALENDAR ITEM

7/72
JFS
W 9537

9.

RENEWAL OF MINERAL EXTRACTION LEASE PRC 2900.2

LEASE: PRC 2900.2.

LESSEE: Al Robert Brooks.

LEASE TERM: June 28, 1972, to June 27, 1982.

LEASE LOCATION: NW¼ Section 16, T. 2 S., R. 5 E., S.B.M., Riverside County.

PERTINENT INFORMATION:

1. The lessee is currently negotiating with others for development of the lease with potential sales to a toothpaste firm. Analysis of samples is reported to have shown that the dolomite deposit is very pure, thus making it desirable for use in a toothpaste product. The lessee has requested a renewal of the lease for ten years commencing June 28, 1972.
2. Existing covenants and royalty requirements include:
 - a. Annual rental of \$160 per year.
 - b. Royalty rate as follows:
$$R = .20 + .15 (C-3.00)$$
with a minimum of 600 tons per year to be extracted.
 - c. The furnishing of a surety bond in the penal sum of One Thousand Dollars (\$1,000) in favor of the State of California, approved by the State Lands Commission, to guarantee the faithful performance by the lessee.
3. Upon review of the existing lease provisions, the following revised terms have been proposed and concurred in by the lessee.
 - a. Annual rental shall remain the same.
 - b. The royalty rate shall remain the same. However, the existing royalty schedule shall be subject to renegotiation within three years of the renewal date of this lease.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE RENEWAL OF MINERAL EXTRACTION LEASE PRC 2900.2 FOR A TEN-YEAR TERM COMMENCING JUNE 28, 1972, WITH AN ANNUAL RENTAL OF \$160, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT; PROVIDED, HOWEVER, THAT THE ROYALTY RATE SHALL BE SUBJECT TO RENEGOTIATION WITHIN THREE YEARS OF THE RENEWAL DATE OF THIS LEASE.

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