

MINUTE ITEM

9. APPLICATIONS FOR PROSPECTING PERMITS, S. A. TANNER, SAN BENITO COUNTY -
W.O. 3357, P.R.C. 2518.2; W.O. 3358, P.R.C. 2519.2; W.O. 3359, P.R.C. 2520.2;
W.O. 3360, P.R.C. 2521.2.

Following presentation of Calendar Items 8, 9, 10, and 11 attached, Commissioner Cranston requested information about the royalty rates on prospecting permits, and the bases for these rates were explained by the Executive Officer.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, AND PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZED THE EXECUTIVE OFFICER TO EXECUTE AND TO ISSUE FOUR (4) TWO-YEAR PROSPECTING PERMITS TO S. A. TANNER, ONE FOR EACH OF THE FOLLOWING AREAS:

- (A) 153.23 ACRES OF VACANT STATE SCHOOL LAND IN THE NW $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B.& M., SAN BENITO COUNTY, TO BE IDENTIFIED AS P.R.C. 2518.2;
- (B) 142.24 ACRES OF VACANT STATE SCHOOL LAND IN THE NE $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B.& M., SAN BENITO COUNTY, TO BE IDENTIFIED AS P.R.C. 2519.2;
- (C) 161.31 ACRES OF VACANT STATE SCHOOL LAND IN THE SE $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B.& M., SAN BENITO COUNTY, TO BE IDENTIFIED AS P.R.C. 2520.2;
- (D) 162 ACRES OF VACANT STATE SCHOOL LAND IN THE SW $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B.& M., SAN BENITO COUNTY, TO BE IDENTIFIED AS P.R.C. 2521.2;

WITH 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.

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.00 + 0.20 (C - 15.00)$$

WHERE: R = ROYALTY IN DOLLARS AND CENTS PER TON OR ORE

C = WEIGHTED AVERAGE OF GROSS SALES PRICE PER TON OR 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,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.

Attachments

Calendar Items 8, 9, 10, and 11 (8 pages)

CALENDAR ITEM

8.

APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, SAN BENITO COUNTY -
W.O. 3357.

An application has been received from S. A. Tanner of Coalinga, California, for a permit to prospect for all minerals on 153.23 acres of vacant State school land in the NW $\frac{1}{4}$ of Section 16, T. 18 S., R. 12 E., M.D.B. & M., San Benito County.

Field reconnaissance and record review by the staff have shown that the area for which the application has been made cannot be classified at this time as known to contain commercially valuable mineral deposits.

The statutory filing fee of \$5 has been paid, and the permit fee of \$153.23 has 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 EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT TO S. A. TANNER FOR 153.23 ACRES OF VACANT STATE SCHOOL LAND IN THE NW $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WITH 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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.00 + 0.20 (C - 15.00)$$

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.

CALENDAR ITEM 8. (CONTD.)

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIO-ACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.

CALENDAR ITEM

9.

APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, SAN BENITO COUNTY -
W.O. 3358.

An application has been received from S. A. Tanner of Coalinga, California, for a permit to prospect for all minerals on 142.24 acres of vacant State school land in the NE $\frac{1}{4}$ of Section 16, T. 18 S., R. 12 E., M.D.B. & M., San Benito County.

Field reconnaissance and record review by the staff have shown that the area for which the application has been made cannot be classified at this time as known to contain commercially valuable mineral deposits.

The statutory filing fee of \$5.00 has been paid, and the permit fee of \$142.24 has 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 EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT TO S. A. TANNER FOR 142.24 ACRES OF VACANT STATE SCHOOL LAND IN THE NE $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WITH 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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.00 + 0.20 (C - 15.00)$$

WHERE: R = ROYALTY IN DOLLARS AND CENTS PER TON OR 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.

CALENDAR ITEM 9. (CONTD.)

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIO-ACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.

CALENDAR ITEM

10.

APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, SAN BENITO COUNTY -
W.O. 3359.

An application has been received from S. A. Tanner of Coalinga, California, for a permit to prospect for all minerals on 161.31 acres of vacant State school land in the SE $\frac{1}{4}$ of Section 16, T. 18 S., R. 12 E., M.D.B. & M., San Benito County.

Field reconnaissance and record review by the staff have shown that the area for which the application has been made cannot be classified at this time as known to contain commercially valuable mineral deposits.

The statutory filing fee of \$5 has been paid, and the permit fee of \$161.31 has 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 EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT TO S. A. TANNER FOR 161.31 ACRES OF VACANT STATE SCHOOL LAND IN THE SE $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WITH 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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.00 + 0.20 (C - 15.00)$$

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.

CALENDAR ITEM 10. (CONTD.)

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIO-ACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.

CALENDAR ITEM

11.

APPLICATION FOR PROSPECTING PERMIT, S. A. TANNER, SAN BENITO COUNTY -
W.O. 3360.

An application has been received from S. A. Tanner of Coalinga, California, for a permit to prospect for all minerals on 162 acres of vacant State school land in the SW $\frac{1}{4}$ of Section 16, T. 18 S., R. 12 E., M.D.B. & M., San Benito County.

Field reconnaissance and record review by the staff have shown that the area for which the application has been made cannot be classified at this time as known to contain commercially valuable mineral deposits.

The statutory filing fee of \$5.00 has been paid, and the permit fee of \$162.00 has 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 EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT TO S. A. TANNER FOR 162 ACRES OF VACANT STATE SCHOOL LAND IN THE SW $\frac{1}{4}$ OF SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WITH 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

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

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

3. FOR NONMETALLIC MINERALS

$$R = 1.00 + 0.20 (C - 15.00)$$

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

CALENDAR ITEM 11. (CONTD.)

2. FOR NONPRECIOUS METALLIC MINERALS,

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS,

\$1.00 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIO-ACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE ROYALTY DURING THE FIRST YEAR OF ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE COMPUTED ON THE ACTUAL GROSS SALES VALUE PER TON OF ORE SOLD.