

MINUTE ITEM

12/4/72
WFY

10. AUTHORIZATION FOR SETTLEMENT OF ROYALTY CLAIM FOR JADE STONE, MONTEREY COUNTY; DONALD R. WOBBER, JAMES E. NORTON, AND GARY M. CARMIGNANI - W 2875.59.

After consideration of Calendar Item 8 attached, and upon motion duly made and carried, the following resolution was adopted:

THE STATE ACCEPTS THE SUM OF \$500 CASH, IN ADDITION TO THE PUBLIC BENEFIT FROM PAST EXHIBITS AND LECTURES VALUED AT \$1,582, AS FULL SATISFACTION AND SETTLEMENT OF THE ROYALTY CLAIM FOR THE REMOVAL OF THE LARGE 9000-POUND JADE BOULDER EXTRACTED IN AUGUST OF 1971 FROM THE TIDELANDS AT JADE COVE. FURTHER, THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND DELIVER EVIDENCE OF TITLE TO SAID STONE TO DONALD R. WOBBER, JAMES E. NORTON, AND GARY M. CARMIGNANI UPON RECEIPT OF THE SUM OF \$500.

Attachment:

Calendar Item 8 (2 pages)

CALENDAR ITEM

11/72

WFY

8.

W 2875.59

AUTHORIZATION FOR SETTLEMENT
OF ROYALTY CLAIM FOR JADE STONE,
MONTEREY COUNTY

Jade Cove in the Cape San Martin region, Monterey County, is a well-known jade collecting area and tourist attraction. The upland area is part of the Los Padres National Forest and is supervised by National Forest personnel.

In August of 1971, scuba divers Don Wobber, James Norton, Gary Carmignani and Sonny Phillips were successful in removing a large jade boulder from the tidelands in the vicinity of Jade Cove. Sonny Phillips has since relinquished his interest to the other three.

Public Resources Code Sections 6303, et seq., and California Administrative Code Sections 1902, et seq., and Sections 2200, et seq., require a permit and payment of royalty (twenty percent of the gross value under standard terms of a prospecting permit) for such minerals extracted from State lands. The above group did not obtain such a permit. It is the Division's position that if the subject jade rock does have significant commercial value, then the people of the State should be adequately compensated for exploitation of the resource.

The stone is not considered gem quality. Several authorities have examined it and appraisals range from its being valueless as gem material up to a maximum of \$10,000. Most agree its chief value lies in being kept intact and used as a museum attraction.

To date, it has been exhibited and lectures given concerning it, at the San Francisco Gem and Mineral Society's Annual Show; Hall of Flowers; East Bay Mineral Society's Show; Lake Merritt; Oakland; Concord Antique Show; and various lectures at San Francisco State University; Moss Landing Marine Laboratory; and rock hound and skin diving club meetings.

The joint venture group has offered to pay the State \$500 cash, in addition to the public benefit already received from lectures and exhibitions valued at \$1,582, in full satisfaction of the State's royalty claim. The total, \$2,082, is slightly in excess of 20% (royalty consideration under State prospecting permits) of the maximum estimated value of the boulder (\$10,000). Staff investigation has established that the parties were unaware of the need for a permit to extract the stone. The group have been cooperative throughout the settlement negotiations.

EXHIBIT: A. Location Map

IT IS RECOMMENDED THAT THE STATE ACCEPT THE SUM OF \$500 CASH, IN ADDITION TO THE PUBLIC BENEFIT FROM PAST EXHIBITS AND LECTURES VALUED AT \$1582, AS FULL

CALENDAR ITEM NO. 8. (CONTD)

SATISFACTION AND SETTLEMENT OF THE ROYALTY CLAIM FOR THE REMOVAL OF THE LARGE 9,000-POUND JADE BOULDER EXTRACTED IN AUGUST OF 1971 FROM THE TIDELANDS AT JADE COVE. IT IS FURTHER RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO EXECUTE AND DELIVER EVIDENCE OF TITLE TO SAID STONE TO DONALD R. WOBBER, JAMES E. NORTON, AND GARY M. CARMIGNANI UPON RECEIPT OF THE SUM OF \$500.