

7. (CANCELLATION OF MINERAL EXTRACTION LEASE P.R.C. 50.1, T. E. WARNER, STANISLAUS COUNTY.) Mineral Extraction Lease P.R.C. 50.1 was issued to Mr. T. E. Warner October 23, 1942, pursuant to the single bid received after publication of a notice of intention to receive bids for the extraction of gold and other metallic materials from a portion of the abandoned bed of the Tuolumne River, Stanislaus County. No operations were carried on under the lease from 1942-46 because of a Federal order suspending gold mining. On October 29, 1947 and July 6, 1950, the Commission approved the suspension of operations subject to the condition that the minimum annual rental of \$1 per acre for the leased land be paid by the lessee. The minimum annual rental has been paid to October 22, 1954. An application has now been received from Mr. T. E. Warner requesting termination of the lease by mutual consent for the reason that he has been unable at any time to secure production because the high cost of materials, repair, and labor, together with the fixed price for gold have made it impossible for him to secure a dredging contractor to conduct the required operations. Section 6 of the subject lease provides as follows:

"This agreement may be terminated or any of the provisions hereof, may be modified or amended, upon the mutual consent of the parties hereto."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO TERMINATE MINERAL EXTRACTION LEASE P.R.C. 50.1 BY MUTUAL CONSENT WITH THE LESSEE, MR. T. E. WARNER; THE LESSEE TO FURNISH A QUITCLAIM DEED FOR THE ENTIRE RIGHT, TITLE, INTEREST, AND ESTATE OF THE LESSEE IN, TO, AND UNDER THE LAND DESCRIBED IN THE MINERAL EXTRACTION LEASE IN SO FAR AS ANY SUCH RIGHT, TITLE, INTEREST, OR ESTATE WAS CREATED BY THE LEASE.

8. (DEFERMENT OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE P.R.C. 1314.2, ARGUS DEVELOPMENT COMPANY, INYO COUNTY - P.R.C. 1314.2.) Mineral Extraction Lease P.R.C. 1314.2 was issued May 21, 1953, pursuant to competitive public bidding, to R. A. Donnelly and E. H. Brawner. The lease requires an advance annual rental of \$40 and the completion of 100 shifts of work during each year of the lease term. During the first year of the lease, the lessees have acquired additional property adjoining the State lease, together with mill equipment and water rights. All of these facilities have been assigned to the Argus Development Company, who now report that they are in position to initiate actual mining operations. The Argus Development Company has requested that the lease be continued despite the fact that no actual mining operations were conducted during the first year of the lease term. In consideration of the lack of competition in bidding at the time of the lease offer, the annual rental prepayments which have been made, the fact that no State lands have been occupied or utilized and that development under the lease could now proceed,

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT A DEFERMENT OF THE OPERATING REQUIREMENTS SPECIFIED IN SECTION 10 OF MINERAL EXTRACTION LEASE P.R.C. 1314.2 FOR THE LEASE YEAR ENDING MAY 21, 1954, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.