

MINUTE ITEM

15. WAIVER OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE P.R.C. 2036.1, MOE SAND COMPANY, MARIN AND SAN FRANCISCO COUNTIES - W.O. 3172.

After consideration of Calendar Item 33 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION WAIVES THE OPERATING REQUIREMENTS, AS SPECIFIED IN SECTION 10 OF MINERAL EXTRACTION LEASE P.R.C. 2036.1, FOR THE LEASE YEAR ENDING NOVEMBER 11, 1958 BECAUSE OF THE CIRCUMSTANCES WHICH HAVE PREVENTED COMPLIANCE BY THE LESSEE, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.

Attachment

Calendar Item 33 (1 page)

CALENDAR ITEM

33.

WAIVER OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE P.R.C. 2036.1, MOE SAND COMPANY, MARIN AND SAN FRANCISCO COUNTIES - W.O. 3172.

Moe Sand Company, lessee under Mineral Extraction Lease P.R.C. 2036.1, issued November 12, 1957, pursuant to competitive public bidding, has reported that no material has been removed from the lease during the operating year ending November 11, 1958. Lease P.R.C. 2036.1 requires an annual advance rental of \$239, which has been paid, and a minimum royalty of three cents per cubic yard for all sand extracted, together with the performance of a specified minimum of at least 100 shifts of extraction operations during each year of the term of the lease.

The lessee states that it has not been possible to comply with lease operating requirements due to a formal objection filed with the Corps of Engineers by a tank ship association that the proposed operations would endanger navigation. This matter is currently being investigated by the Corps of Engineers.

The lessee is interested in continuance of the lease and has requested approval of deferment of operating requirements for the year ending November 11, 1958.

IT IS RECOMMENDED THAT THE COMMISSION WAIVE THE OPERATING REQUIREMENTS, AS SPECIFIED IN SECTION 10 OF MINERAL EXTRACTION LEASE P.R.C. 2036.1, FOR THE LEASE YEAR ENDING NOVEMBER 11, 1958 BECAUSE OF THE CIRCUMSTANCES WHICH HAVE PREVENTED COMPLIANCE BY THE LESSEE, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.