

MINUTE ITEM

20. WAIVER OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE P.R.C. 1258.2, MYCO MINING CORPORATION, FRESNO COUNTY - W.O. 3186.

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. 1258.2 FOR THE LEASE YEAR ENDING DECEMBER 4, 1958, BECAUSE OF THE MARKET CONDITIONS WHICH MAKE OPERATIONS BY THE LESSEE UNECONOMIC, 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. 1258.2, MYCO MINING CORPORATION, FRESNO COUNTY - W.O. 3186.

Mineral Extraction Lease P.R.C. 1258.2 was issued as a preferential mineral extraction lease, pursuant to Section 6895 of the Public Resources Code, to Andrew Thickstun on December 5, 1952.

The lease assignment to Myco Mining Corporation, a California corporation, was approved on February 1, 1958.

As of December 5, 1957, 24.57 tons of chrome ore concentrates, sold at \$2,450.35, had been removed from the leased area. The ore is not salable until it has been milled and concentrated. Total royalty received by the State from this lease to date is \$73.71.

The completion of the United States strategic mineral stock-piling program in the Spring of 1958 has resulted in a depressed chrome market, for which the grade of ore available from the subject lease cannot be mined economically.

Lease P.R.C. 1258.2 requires an advance rental of \$151 per year, a minimum royalty rate of \$3.00 per ton for chrome ore removed, and the completion of at least 100 shifts of work on the lease during each lease year. The lessee is interested in continuance of the lease in order that mining operations may be resumed at some future date when the chrome market is more favorable.

IT IS RECOMMENDED THAT THE COMMISSION WAIVE THE OPERATING REQUIREMENTS AS SPECIFIED IN SECTION 10 OF MINERAL EXTRACTION LEASE P.R.C. 1258.2 FOR THE LEASE YEAR ENDING DECEMBER 4, 1958, BECAUSE OF THE MARKET CONDITIONS WHICH MAKE OPERATIONS BY THE LESSEE UNECONOMIC, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.