

MINUTE ITEM

18. REQUEST FOR DEFERMENT OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE P.R.C. 1314.2, ARGUS DEVELOPMENT COMPANY, INYO COUNTY - W.O. 3285.

After consideration of Calendar Item 21 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE ARGUS DEVELOPMENT COMPANY 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, 1959, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE LEASE TO REMAIN UNCHANGED.

Attachment

Calendar Item 21 (1 page)

CALENDAR ITEM

21.

REQUEST FOR DEFERMENT OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASE
P.R.C. 1314.2, ARGUS DEVELOPMENT COMPANY, INYO COUNTY - W.O. 3285.

On July 15, 1957 (Minute Item 11, page 3304), the Commission authorized the Executive Officer 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, 1958, all other terms, conditions and performance requirements under the subject lease to remain unchanged.

A request has been received from the Argus Development Company for an additional deferment of operating requirements for the lease year ending May 21, 1959, with the anticipation that development of the lease may be resumed at a later time. With the price of gold stabilized at \$35 an ounce, and in view of the high cost of labor, operations under the lease are not economically feasible at this time.

In consideration of the lack of competition in bidding at the time the lease was offered, and of the annual rental payments which have been made by the lessee,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE ARGUS DEVELOPMENT COMPANY 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, 1959, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE LEASE TO REMAIN UNCHANGED.