

MINUTE ITEM

3. DEFERMENT OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASES P.R.C. 1511.2 AND P.R.C. 1512.2, CALIFORNIA MINERALS CORPORATION AND S. A. TANNER, FRESNO COUNTY - W.O. 3972.

After consideration of Calendar Item 5 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO CALIFORNIA MINERALS CORPORATION AND S. A. TANNER A DEFERMENT OF THE OPERATING REQUIREMENTS, SPECIFIED IN SECTION 10 OF PREFERENTIAL MINERAL EXTRACTION LEASES P.R.C. 1511.2 AND P.R.C. 1512.2 FOR THE LEASE YEAR ENDING APRIL 27, 1961, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE LEASES TO REMAIN UNCHANGED.

Attachment

Calendar Item 5 (1 page)

CALENDAR ITEM

5.

DEFERMENT OF OPERATING REQUIREMENTS, MINERAL EXTRACTION LEASES P.R.C. 1511.2 AND P.R.C. 1512.2, CALIFORNIA MINERALS CORPORATION AND S. A. TANNER, FRESNO COUNTY - W.O. 3972.

Mineral Extraction Leases P.R.C. 1511.2 and P.R.C. 1512.2 were issued as preferential leases pursuant to Section 6895 of the Public Resources Code to J. S. Bonnell on April 28, 1955. Subsequently, these leases were assigned to H. T. Leckman on April 2, 1957, to S. A. Tanner on September 7, 1960, and to California Minerals Corporation as to an undivided one-half interest on May 2, 1961. Total royalty received by the State from these leases to date has been \$209.88.

On June 25, 1959 (Minute Item 14, pages 4939-40), the Commission authorized the deferment of operating requirements for the lease years ending April 27, 1958, and April 27, 1959, due to the depressed chrome market resulting from completion of the Federal chrome stockpiling program. The lessees are currently endeavoring to develop and market deposits of asbestos, located within the lease areas.

The lessees have requested that the operating requirements specified in Section 10 of Mineral Extraction Leases P.R.C. 1511.2 and P.R.C. 1512.2 be waived for the lease year ending April 27, 1961. During the preceding lease year there was no production, but efforts were devoted to negotiating an operating agreement for the extraction of asbestos.

The total advance annual rental of \$200 has been paid for the lease years beginning April 28, 1961.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO CALIFORNIA MINERALS CORPORATION AND S. A. TANNER A DEFERMENT OF THE OPERATING REQUIREMENTS, SPECIFIED IN SECTION 10 OF PREFERENTIAL MINERAL EXTRACTION LEASES P.R.C. 1511.2 AND P.R.C. 1512.2 FOR THE LEASE YEAR ENDING APRIL 27, 1961, ALL OTHER TERMS, CONDITIONS AND PERFORMANCE REQUIREMENTS UNDER THE LEASES TO REMAIN UNCHANGED.