

MINUTE ITEM

15. APPLICATION FOR ASSIGNMENT OF 50 PERCENT INTEREST AND SUBLEASE FOR MINERAL EXTRACTION LEASES P.R.C. 1511.2, P.R.C. 1512.2, P.R.C. 2786.2, P.R.C. 2787.2, P.R.C. 2788.2, P.R.C. 2809.2, P.R.C. 2810.2 AND P.R.C. 2811.2, FRESNO AND SAN BENITO COUNTIES; CALIFORNIA MINERALS CORPORATION - W.O. 4528.

After consideration of Calendar Item 9 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED:

1. TO APPROVE THE ASSIGNMENT FROM CALIFORNIA MINERALS CORPORATION, A CALIFORNIA CORPORATION, TO MINERAL MATERIALS COMPANY, A PARTNERSHIP CONSISTING OF C. W. DUNTON AND A. S. VINNELL, OF A 50 PERCENT INTEREST, FOR AN INITIAL PERIOD OF 10 YEARS, IN THE MINERAL EXTRACTION LEASES DESCRIBED BELOW; AND
2. TO APPROVE THE SUBLEASE FROM CALIFORNIA MINERALS CORPORATION AND MINERAL MATERIALS COMPANY, JOINT VENTURERS DOING BUSINESS UNDER THE FICTITIOUS FIRM NAME AND STYLE OF CALIFORNIA ASBESTOS COMPANY, TO ATLAS CORPORATION, A DELAWARE CORPORATION, OF THE FOLLOWING-DESCRIBED MINERAL EXTRACTION LEASES FOR AN INITIAL PERIOD OF TEN YEARS:

MINERAL EXTRACTION LEASE P.R.C. 1511.2, COVERING THE SOUTH 20 ACRES OF THE 80-ACRE PARCEL WEST OF LOTS 3 AND 4, AND THE NORTH 20 ACRES OF THE 40-ACRE PARCEL WEST OF LOT 9, AND NORTH OF LOT 12, ALL IN SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO COUNTY, CONTAINING 40 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 1512.2, COVERING ALL OF LOT 4, THE S $\frac{1}{2}$  OF LOT 3, THE NORTH 60 ACRES OF THE 80-ACRE PARCEL WEST OF LOTS 3 AND 4, AND THE E $\frac{1}{2}$  OF THE E $\frac{1}{2}$  OF THE 160-ACRE PARCEL WEST OF SAID 80-ACRE PARCEL, ALL IN SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES, CONTAINING 160 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2786.2, COVERING LOTS 14, 15, AND 16 IN THE SE $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO COUNTY, CONTAINING 76.59 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2787.2, COVERING LOT 1, 2, N $\frac{1}{2}$  OF 3, 5, AND 6 IN THE NE $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES, CONTAINING 136.02 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2788.2, COVERING LOTS 7, 8, 9, 13, AND 17 IN THE SE $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO COUNTY, CONTAINING 151 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2809.2, COVERING THE W $\frac{1}{2}$  OF THE NW $\frac{1}{4}$  AND THE W $\frac{1}{2}$  OF THE E $\frac{1}{2}$  OF THE NW $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES, CONTAINING 120 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2810.2, COVERING THE  $N\frac{1}{2}$  OF THE  $SW\frac{1}{4}$  AND THE  $S\frac{1}{2}$  OF THE  $NW\frac{1}{4}$  OF THE  $SE\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B. & M., FRESNO AND SAN BENITO COUNTIES, CONTAINING 100 ACRES MORE OR LESS.

MINERAL EXTRACTION LEASE P.R.C. 2811.2, COVERING LOTS 10, 11, 12, 18, 19, AND 20 OF SECTION 36, T. 18 S., R. 12 E., M.D.B. & M., FRESNO COUNTY, CONTAINING 160 ACRES MORE OR LESS.

THE LESSEE, ASSIGNEE, AND SUBLESSEE SHALL EACH DEPOSIT PERFORMANCE BONDS IN THE AMOUNT SPECIFIED FOR EACH LEASE, DESIGNATING EACH OF THEM AS CO-PRINCIPALS, AND SHALL ALL BE BOUND TO THE TERMS AND CONDITIONS SPECIFIED IN EACH LEASE.

Attachment  
Calendar Item 9 (2 pages)

CALENDAR ITEM

9.

APPLICATION FOR ASSIGNMENT OF 50 PERCENT INTEREST AND SUBLEASE FOR MINERAL EXTRACTION LEASES P.R.C. 1511.2, P.R.C. 1512.2, P.R.C. 2786.2, P.R.C. 2787.2, P.R.C. 2788.2, P.R.C. 2809.2, P.R.C. 2810.2 AND P.R.C. 2811.2, FRESNO AND SAN BENITO COUNTIES; CALIFORNIA MINERALS CORPORATION - W.O. 4528.

Mineral Extraction Leases P.R.C. 1511.2 and P.R.C. 1512.2 were issued on April 28, 1955, for an initial period of 20 years, to H. T. Leckman, Jr., and by assignments are now held by California Minerals Corporation, a California corporation.

Mineral Extraction Leases P.R.C. 2786.2, P.R.C. 2787.2, and P.R.C. 2788.2 were issued on October 20, 1961, for an initial period of 20 years, to California Minerals Corporation.

Mineral Extraction Leases P.R.C. 2809.2, P.R.C. 2810.2, and P.R.C. 2811.2 were issued on November 28, 1961, for an initial period of 20 years, to California Minerals Corporation.

All of the foregoing leases require that any assignment or sublease be approved by the State Lands Commission.

An application has been received from California Minerals Corporation requesting the approval of the assignment of 50 percent interest in Mineral Extraction Leases P.R.C. 1511.2, P.R.C. 1512.2, P.R.C. 2786.2, P.R.C. 2787.2, P.R.C. 2788.2, P.R.C. 2809.2, P.R.C. 2810.2, and P.R.C. 2811.2 for an initial period of 10 years to Mineral Materials Company, a partnership composed of C. W. Dunton and A. S. Vinnell, and, subsequently, the approval of a sublease of the aforesaid mineral extraction leases from California Minerals Corporation and Mineral Materials Company, joint venturers doing business under the fictitious firm name of California Asbestos Company, to the Atlas Corporation, a Delaware corporation, for an initial period of 10 years.

The proposed sublessee, Atlas Corporation (successor by merger to the Hidden Splendor Mining Company), is reportedly well versed in mining operations, having mined a total of 376,810 tons of uranium ore during 1961. It has also carried out geological and geophysical investigations and field work on numerous prospects covering a variety of minerals in 11 states.

All rental fees and royalties due the State under these leases have been paid, and the statutory filing fees in the amount of \$5 for the assignment of each lease have been remitted.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER:

1. TO APPROVE THE ASSIGNMENT FROM CALIFORNIA MINERALS CORPORATION, A CALIFORNIA CORPORATION, TO MINERAL MATERIALS COMPANY, A PARTNERSHIP CONSISTING OF C. W. DUNTON AND A. S. VINNELL, OF A 50 PERCENT INTEREST, FOR AN INITIAL PERIOD OF 10 YEARS, IN THE MINERAL EXTRACTION LEASES DESCRIBED BELOW; AND

CALENDAR ITEM 9. (CONTD.)

2. TO APPROVE THE SUBLEASE FROM CALIFORNIA MINERALS CORPORATION AND MINERAL MATERIALS COMPANY, JOINT VENTURERS DOING BUSINESS UNDER THE FICTITIOUS FIRM NAME AND STYLE OF CALIFORNIA ASBESTOS COMPANY, TO ATLAS CORPORATION, A DELAWARE CORPORATION, OF THE FOLLOWING-DESCRIBED MINERAL EXTRACTION LEASES FOR AN INITIAL PERIOD OF TEN YEARS:

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