MINUTE ITEM

14. DEFERMENT OF OPERATING REQUIREMENTS, PREFERENTIAL MINERAL EXTRACTION LEASE P.R.C. 2150.2; KARL PIERCE, FEREE PIERCE, AND FRANK PIERCE; SAN LUIS OBISPO COUNTY - W.O. 5081.

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO KARL PIERCE, FEREE PIERCE, AND FRANK PIERCE A DEFERMENT OF THE OPERATING REQUIREMENTS SPECIFIED IN SECTION 10 OF PREFERENTIAL MINERAL EXTRACTION LEASE P.R.C. 2150.2 FOR THE LEASE-YEAR ENDING APRIL 13, 1964, ALL OTHER TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE TO REMAIN UNCHANGED.

Attachment
Calendar Item 5 (1 page)

CALENDAR ITEM

5.

DEFERMENT OF OPERATING REQUIREMENTS, PREFERENTIAL MINERAL EXTRACTION LEASE P.R.C. 2150.2; KARL PIERCE, FEREE PIERCE, AND FRANK PIERCE; SAN LUIS OBISPO COUNTY - W.O. 5081.

Preferential Mineral Extraction Lease P.R.C. 2150.2 was issued on April 14, 1958, in accordance with Division 6 of the Public Resources Code, to Karl Pierce, Feree Pierce, and Frank Pierce. The lease requires an advance annual rental of $47.71 and the completion of 100 shifts of work during each year of the lease term. The work requirements for the initial lease-year, ending April 13, 1959, were fulfilled. The State received $1,046 in royalty on 349 tons of chrome ore extracted and sold during that period. At the request of the lessees, the Commission has heretofore approved deferment of the operating requirements for the lease-years ended April 13, 1960; April 13, 1961; April 13, 1962; and April 13, 1963.

A request now has been received from the lessees for a deferment of operating requirements for the lease-year ending April 13, 1964. Because of a depressed chrome market, the grade of ore occurring within the lease premises cannot be mined economically at this time. Sufficient exploration work has been completed by the lessees to make possible the immediate resumption of ore extraction whenever a market is available. The advance annual rental has been paid for the lease-year beginning April 14, 1963, and ending April 13, 1964.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO KARL PIERCE, FEREE PIERCE, AND FRANK PIERCE A DEFERMENT OF THE OPERATING REQUIREMENTS SPECIFIED IN SECTION 10 OF PREFERENTIAL MINERAL EXTRACTION LEASE P.R.C. 2150.2 FOR THE LEASE-YEAR ENDING APRIL 13, 1964, ALL OTHER TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE TO REMAIN UNCHANGED.

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