

MINUTE ITEM

13. APPLICATION FOR ONE-YEAR EXTENSION, PROSPECTING PERMITS P.R.C. 2518.2, P.R.C. 2519.2, P.R.C. 2520.2, AND P.R.C. 2521.2, SAN BENITO COUNTY, BASIC RESOURCES CORPORATION - W.O.s 4248, 4249, 4250, AND 4251.

After consideration of Calendar Item 40 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO NOTIFY BASIC RESOURCES CORPORATION THAT THE REQUEST FOR A ONE-YEAR EXTENSION OF THE TERMS OF PROSPECTING PERMITS P.R.C. 2518.2, P.R.C. 2519.2, P.R.C. 2520.2, AND P.R.C. 2521.2, COVERING SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WILL NOT BE APPROVED.

Attachment
Calendar Item 40 (1 page)

CALENDAR ITEM

40.

APPLICATION FOR ONE-YEAR EXTENSION, PROSPECTING PERMITS P.R.C. 2518.2, P.R.C. 2519.2, P.R.C. 2520.2, AND P.R.C. 2521.2, SAN BENITO COUNTY, BASIC RESOURCES CORPORATION - W.O.s 4248, 4249, 4250, AND 4251.

Prospecting Permits P.R.C. 2518.2, P.R.C. 2519.2, P.R.C. 2520.2, and P.R.C. 2521.2, covering 618 acres of vacant State school land in the NW $\frac{1}{4}$, NE $\frac{1}{4}$, SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of Section 16, T. 18 S., R. 12 E., M.D.B. & M., were issued to Stanley A. Tanner on March 11, 1960, and subsequently were assigned, with the approval of the State Lands Commission on August 28, 1961 (Minute Item 8, page 7164), to Basic Resources Corporation, a Utah corporation.

An application has been received from Basic Resources Corporation requesting a one-year extension of each permit in order to allow sufficient time to evaluate mineral samples obtained while prospecting. In conformance with Division 6 of the Public Resources Code, each permit provides in part that "...in no event shall the term of this permit exceed two (2) years from date hereof except as the Commission may, at its discretion, extend the term of this permit for an additional period not to exceed one (1) year."

Under Section 4 of each permit, the permittee is required to complete at least 160 shifts of work during the first year and 320 shifts of work during the second year of the permit term. Operation reports submitted by the permittee indicate that no work was performed on the permit area during the first six calendar quarters of the permit term. On February 1, 1962, the permittee reported that a total of approximately 7000 feet of bulldozer trenching had been made in the permit area during the calendar quarter ending September 30, 1961, and that this work disclosed the existence of asbestos minerals in the prospect area.

In view of the reported limited operations during the permit term, it does not appear that the permittees have exercised reasonable diligence in the conduct of operations in the permit area, and that it would not be in the best interest of the State to grant an additional extension of the permit term.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO NOTIFY BASIC RESOURCES CORPORATION THAT THE REQUEST FOR A ONE-YEAR EXTENSION OF THE TERMS OF PROSPECTING PERMITS P.R.C. 2518.2, P.R.C. 2519.2, P.R.C. 2520.2, AND P.R.C. 2521.2, COVERING SECTION 16, T. 18 S., R. 12 E., M.D.B. & M., SAN BENITO COUNTY, WILL NOT BE APPROVED.