

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Building, Los Angeles, at 9:30 a.m., July 26, 1938.

Present were:

A. E. Stockburger, Chairman
George J. Hatfield, Member
Harry B. Riley, Member

The Executive Officer presented the minutes of meeting of the Commission held July 12, 1938. Upon motion of Mr. Hatfield, seconded by Mr. Riley, and unanimously carried, the minutes of said meeting were approved as presented.

Upon motion of Mr. Hatfield, seconded by Mr. Riley, and unanimously carried, employment of personnel was approved and confirmed, as follows:

1. The emergency employment of Dr. E. K. Soper was approved at the rate of \$35 per day in the capacity of Consulting Geologist and Petroleum Engineer, and his continued employment at the expiration of the emergency period under temporary authorization at a rate approved by and in accordance with regulations of the State Personnel Board.

2. The emergency employment of T. C. I. Anderson as Junior Geological Draftsman was approved at the rate of \$120 per month, and his continued employment at the expiration of the emergency period under temporary authorization in accordance with regulations of the State Personnel Board.

Upon motion of Mr. Riley, seconded by Mr. Hatfield, and unanimously carried, the Executive Officer was authorized and directed to make application in accordance with the provisions of the "State Lands Act of 1938" for the sum of \$10,000 to meet the cost of additional services, personnel and increased salaries of employees, for this fiscal year.

Upon motion of Mr. Hatfield, seconded by Mr. Riley, the Commission adopted by unanimous vote resolution as follows:

RECITAL

The State Lands Commission is authorized by the "State Lands Act of 1938" to enter into an agreement for the extraction of oil and gas from tidelands and submerged lands of the State of California whenever it appears to the Commission that oil and gas deposits are known or believed to be contained in such tidelands and submerged lands, and may be, or are being drained by means of wells upon adjacent lands not owned by the State.

NOW, THEREFORE, BE IT RESOLVED:

That it appears to, and is hereby the determination of, the State Lands Commission that oil and gas deposits are known to be contained in the hereinafter described tidelands and submerged lands

of the State of California, and which said tide and submerged lands are being drained of oil and gas by means of wells upon lands not owned by the State and adjacent to said hereinafter described tidelands and submerged lands of the State:

That it is the determination of the Commission that such action be taken in the manner contemplated and authorized in the "State Lands Act of 1938" to protect the oil and gas reserves of the State of California in the hereinafter described tideland and submerged lands;

That the qualifications of each prospective bidder to enter into an agreement for the extraction of oil and gas from said hereinafter described lands of the State shall include, among other qualifications required by the "State Lands Act of 1938", the requirement that every bidder as a condition precedent to the consideration of such bidder's bid, shall present evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights of way without cost or obligation to the State for all operations contemplated under the provisions of the form of Agreement for Easement, and that the bids of all bidders who fail to present such evidence with their respective bids be rejected;

That evidence of the present ability of a bidder to furnish all necessary sites and rights of way for the operations contemplated under the provisions of the form of agreement for easement shall include the following:

(1) The owners of the real property described as the "uplands" in said agreement shall execute the endorsement on said agreement acknowledging that the bidder has been granted all such necessary sites, rights of way and easements; and

(2) The bidder shall transmit to the Commission with his bid either (a) the instrument or instruments, or certified copies thereof, vesting in such bidder such sites, rights of way, and easements, or (b) certified copies of such instrument or instruments together with the affidavits of the owners of said uplands that the original copies of such documents have been placed in escrow to be delivered to the bidder in the event the bid is accepted;

That the finding of the Commission as to whether or not a bidder has the present ability to furnish all necessary sites and rights of way for all operations contemplated under the agreement for easement for which the bid is submitted shall be final and conclusive;

That each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$15,000 as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidder. Should the successful bidder fail or refuse to execute the agreement for easement within fifteen days of the award thereof by the Commission, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental rate for the first year and the balance, if any, refunded to the grantee;

That a form of agreement for easement prepared by the Commission entitled "Agreement for Easement No. _____, Huntington Beach" for each of the parcels hereinafter described is hereby adopted by the Commission and shall constitute the form of bid for the respective parcel;

That a form of agreement for easement prepared by the Commission entitled "Agreement for Easement No. _____, Huntington Beach" describing the lands contained in all of said parcels as a single tract is hereby adopted by the Commission and shall constitute the form of bid for said tract as a whole;

That the Executive Officer of this Commission be and he is hereby directed to publish notice of intention to offer said tidelands and submerged lands of the State of California for the purpose of extraction of oil and gas therefrom, in words and figures as follows, to wit:

"NOTICE OF INTENTION OF THE STATE LANDS COMMISSION TO RECEIVE OFFERS TO ENTER INTO AN AGREEMENT OR AGREEMENTS FOR EXTRACTION OF OIL AND GAS AND OTHER HYDROCARBONS FROM CERTAIN TIDE AND SUBMERGED LANDS OF THE STATE, SITUATE IN ORANGE COUNTY, CALIFORNIA.

"Notice is hereby given by the State Lands Commission, acting pursuant to 'State Lands Act of 1938' (Chapter 5, Statutes of California, Extra Session 1938) of intention to enter into an agreement or agreements for the purpose of extraction of oil and gas and other hydrocarbons from those certain parcels of tidelands and submerged lands situate in the County of Orange, State of California, more particularly described as follows, to wit:

PARCEL 'A'

"An area lying between the extension southwesterly of the center line of 23rd Street in the City of Huntington Beach, as said center line is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927,' filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a point which bears N. 49° 22½' W., 1320.32 feet from a brass cap pipe corner at the most southerly corner of Lot J as shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W. 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL 'B'

"An area lying between a line extending S. 40° 36' W. from a point N. 49° 22½' W., 1320.32 feet from a brass cap pipe corner at the most southerly corner of Lot J as said corner is shown on a map entitled 'Resurvey of Part of Section 34,

T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927, filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. $40^{\circ} 36'$ W. from a point which bears N. $44^{\circ} 36\frac{1}{2}'$ W. 24.39 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. $40^{\circ} 36'$ W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL 'C'

"An area lying between a line extending S. $40^{\circ} 36'$ W. from a point which bears N. $44^{\circ} 36\frac{1}{2}'$ W. 24.39 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927, filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. $40^{\circ} 36'$ W. from a point which bears N. $44^{\circ} 36\frac{1}{2}'$ W., 1394.50 feet from the above described brass cap pipe corner designated 'E.C.' and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. $40^{\circ} 36'$ W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL 'D'

"An area lying between a line extending S. $40^{\circ} 36'$ W. from a point which bears N. $44^{\circ} 36\frac{1}{2}'$ W., 1394.50 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927, filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. $40^{\circ} 36'$ W. from a point which bears N. $44^{\circ} 36\frac{1}{2}'$ W., 2764.61 feet from the above described brass cap pipe corner and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. $40^{\circ} 36'$ W. 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL 'E'

"An area lying between a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 2764.61 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927,' filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a 2" pipe corner of survey set by V. J. Rowan at the north end of the most westerly course of Lot E as shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

"Each bidder may propose to enter into an agreement with the State of California for the extraction of oil, gas and other hydrocarbons from the hereinbefore described Parcels identified as "A", "B", "C", "D" and "E", as one tract, or from one or more of said parcels.

"Each bidder, as a condition precedent to the consideration of such bidder's bid, in addition to other qualifications contained in "State Lands Act of 1938", shall present at the time of delivery of such bid or bids to State Lands Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way without cost or obligation to the State for all operations contemplated under the provisions of form of bid, and any bid not accompanied by such evidence will be rejected by the Commission.

"Evidence of the present ability of a bidder to furnish all necessary sites and rights-of-way for the operations contemplated under the provisions of the form of agreement for easement shall include the following:

(1) The owner or owners of real property described as the 'uplands' in said agreement shall execute the endorsement on said agreement acknowledging that the bidder has been granted all such necessary sites, rights-of-way and easements; and

(2) The bidder shall transmit to the Commission with his bid either (a) the instrument or instruments, or certified copies thereof, vesting in such bidder such sites, rights-of-way and easements, or (b) certified copies of such instrument or instruments together with the affidavits of the owners of said uplands that the original copies of such documents have been placed in escrow to be delivered to the bidder in the event the bid is accepted.

"The finding of the Commission as to whether or not a bidder has the present ability to furnish all necessary sites and rights-of-way for all operations contemplated under the agreement for easement for which the bid is submitted shall be final and conclusive.

"Each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$15,000 as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidder. Should the successful bidder fail or refuse to execute the agreement for easement within fifteen days of the award thereof by the Commission, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental rate for the first year and the balance, if any, refunded to the Grantee.

"All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to State Lands Commission, Room 301, California State Building, Los Angeles, on or before 12 M., of the 1st day of September, 1938. Upon the sealed envelope containing such bid shall be written "Bid of (name of bidder) made pursuant to notice of intention of State Lands Commission to enter into agreement for extraction of oil, gas, and other hydro carbons from tide and submerged lands of the State of California, in the County of Orange, State of California.

"Bids received pursuant to this notice will be publicly opened at 2 p.m., September 1, 1938, at Room 301, State Building, Los Angeles, California, or at such later time and date as the Commission shall determine.

"Form of bid entitled 'Agreement for Easement No. _____, Huntington Beach,' for each of said parcels or for the tract as a whole may be obtained at the office of the Commission in Room 301, California State Building, Los Angeles, California.

"The Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION

By

Webb Shadle,
Executive Officer";

That the lands hereinbefore referred to as tidelands and submerged lands of the State of California are situated in the County of Orange, State of California, and more particularly described as follows, to wit:

PARCEL "A"

"An area lying between the extension southwesterly of the center line of 23rd Street in the City of Huntington Beach, as said center line is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as

per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927, filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a point which bears N. 49° 22½' W., 1320.32 feet from a brass cap pipe corner at the most southerly corner of Lot J as shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W. 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL "B"

"An area lying between a line extending S. 40° 36' W. from a point N. 49° 22½' W., 1320.32 feet from a brass cap pipe corner at the most southerly corner of Lot J as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927,' filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 24.39 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL "C"

"An area lying between a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 24.39 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927, filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 1394.50 feet from the above described brass cap pipe corner designated 'E.C.' and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL "D"

"An area lying between a line extending S. 40° 36' from a point which bears N. 44° 36½' W., 1394.50 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C.

Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927,' filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 2764.61 feet from the above described brass cap pipe corner and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W. 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

PARCEL "E"

"An area lying between a line extending S. 40° 36' W. from a point which bears N. 44° 36½' W., 2764.61 feet from a brass cap pipe corner designated 'E.C.' in the southwesterly boundary of Lot L as said corner is shown on a map entitled 'Resurvey of Part of Section 34, T. 5 S., R. 11 W., and Part of Sections 3, 4, and 10 of T. 6 S., R. 11 W., S.B.M., as per Stearns Rancho Company's Sectionized Survey by Captain T. C. Healey, Surveyor, surveyed by L. G. B. McDowell, field work completed September 15, 1927,' filed at page 28 of Book 3 of Records of Surveys in the office of the Recorder of the County of Orange, and a line extending S. 40° 36' W. from a 2" pipe corner of survey set by V. J. Rowan at the north end of the most westerly course of Lot E as shown upon the above described map and between the ordinary high water mark of the Pacific Ocean and a line parallel to and distant S. 40° 36' W., 5280 feet from the said ordinary high water mark, containing 167 acres, more or less.

That the Executive Officer be and he is hereby authorized and directed to perform all acts and to do all things necessary and desirable to effectuate the purposes of this resolution."

There being no further business to come before the Commission, the meeting was adjourned,