

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., on October 3, 1938.

Present were: (A. E. Stockburger, Chairman
(George J. Hatfield, Member
Absent was: Harry B. Riley, Member

Upon motion of Mr. Hatfield, seconded by Mr. Stockburger, and unanimously carried, business of the Division of State Lands was ordered consummated as follows:

1. To approve application of Leonard H. Hegwer, Location No. 10249, Los Angeles Land District, for NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 36, T. 6 S., R. 5 W., S.B.M., in Riverside County, containing 40 acres. Price set at \$5.00 per acre, to be sold to original applicant should no higher bid be received following publication of notice.

2. To approve application of Emil Carl Lieb, Location No. 10242, Los Angeles Land District, for E $\frac{1}{2}$ of Section 16, T. 1 N., R. 8 E., S.B.M., in San Bernardino County, containing 320 acres. Price set at \$1.50 per acre, to be sold to original applicant should no higher bid be received following publication of notice.

3. To approve application of John Lewis Elkins, Location No. 10248, Los Angeles Land District, for NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 16, T. 3 S., R. 3 E., S.B.M., in Riverside County, containing 40 acres. Price set at \$10.00 per acre, to be sold to original applicant should no higher bid be received following publication of notice.

4. To approve application of Enrique Mahnke, Location No. 4488, Sacramento Land District, for Section 16, T. 12 N., R. 9 W., M.D.M., in Lake County, containing 640 acres. Price set at \$2.75 per acre, to be sold to original applicant should no higher bid be received following publication of notice.

5. To approve application of Herman M. Glose, Location No. 4485, Sacramento Land District, for SE $\frac{1}{2}$ of Section 34, T. 7 N., R. 4 W., M.D.M., in Napa County, containing 160 acres. Price set at \$2.25 per acre, to be sold to original applicant should no higher bid be received following publication of notice.

6. To approve Grazing Lease No. 706 of Thomas J. McCain and Elizabeth F. McCain, covering the SW $\frac{1}{4}$ of NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 16, T. 17 S., R. 17 E., S.B.M., for the period of three years, at ten cents per acre.

7. To approve Grazing Lease No. 707 of Claude E. Halsell, covering the Section 16, T. 12 N., R. 16 E., S.B.M., for the period of three years, at five cents per acre.

8. To approve Grazing Lease No. 708 of J. L. Humphrey, covering Section 36, T. 32 N., R. 15 E., M.D.M., for the period of three years, at five cents per acre.

9. To approve Grazing Lease No. 709 of Victor F. Christiansen, covering Section 16, T. 39 N., R. 12 E., M.D.M., for the period of three years, at ten cents per acre.

Upon motion of Mr. Hatfield, seconded by Mr. Stockburger, and unanimously carried, acts of the Executive Officer were confirmed as follows:

1. Selection upon behalf of Howard V. Jack to purchase with State scrip the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 15, T. 25 S., R. 18 E., M.D.M., containing 40 acres, accompanied with \$207 to cover cost of State scrip of \$5 per acre, and filing fees of this office and the U. S. Land office;
2. Issuance of two duplicate certificates of purchase covering Locations 11068, San Francisco Land District, and 8134, Los Angeles Land District;
3. For issuance of certificate requesting Governor to issue patent to Edward Asebez for SE $\frac{1}{2}$ of SE $\frac{1}{2}$ of Sec. 23, T. 26 S., R. 9 E., M.D.M., containing 40 acres.
4. For issuance of certificate of restitution No. 18809 in the sum of \$50.49 to Griffith Henshaw under Section 3519 of the Political Code.

Upon motion of Mr. Hatfield, seconded by Mr. Stockburger, and unanimously carried, the Executive Officer was authorized and directed to approve assignment of lease from Cecil Wilbur to Mrs. Gabriel at Delhi State Land Settlement for Lots 3 and 4, Block 25, and to amend description in lease heretofore issued to H. D. Hyde for certain premises in Fish Canyon.

The Executive Officer presented application of Submarine Oil Company for extension of State Oil and Gas Lease No. 17. In discussion it was decided that no action would be taken at this time upon the application.

Recess was then taken at 12 noon. The meeting was resumed at 2 p.m. of the same day. Present were A. E. Stockburger, Chairman, George J. Hatfield, Member, and Harry B. Riley, Member.

Oscar Lawler, Esq., and George Schroeder appeared upon behalf of the Natural Gas Corporation of California, being the operator of State Oil and Gas Prospecting Permit No. 388, and presented application containing outline of work proposed to be done upon the area described in the permit. It was decided by the Commission that, inasmuch as there was nothing before the Commission from permittee Sterling Carr, no action should be taken.

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 agreements 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 may be or 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 each bidder may propose to enter into an agreement with the State of California for the extraction of oil, gas and other hydrocarbons from any one or more of the hereinbefore described locations;

That each bidder, as a condition precedent to the consideration of such bidder's bid, in addition to other qualifications contained in the "State Lands Act of 1938," shall present at the time of the delivery of such bid or bids to the State Lands Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way northerly of the northerly line of Ocean Avenue and between the easterly boundary of 10th Street and the westerly boundary of 23d Street, in the City of Huntington Beach, State of California, 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;

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 form of agreement for easement shall include the following:

(1) The owner or owners of the real property situate northerly of the northerly line of Ocean Avenue and between the easterly line of 10th Street and the westerly line of 23d Street, in the City of Huntington Beach, State of California, shall execute the endorsement on said agreement, acknowledging that the bidder has been granted all necessary sites, rights-of-way and easements; and

(2) Bidder shall transmit to the Commission with the bid either (a) an 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 property situate northerly of the northerly line of Ocean Avenue and between the easterly line of 10th Street and the westerly line of 23d Street in the City of Huntington Beach, State of California, 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 findings of the Commission whether 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 bids were 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 \$2500 as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidders. Should the successful bidder fail or refuse to execute the agreement for easement within 15 days of the award thereof by the Commission, deposit shall be forfeited to the State of California; otherwise the amount of said deposit shall be applied upon the annual rental for the first year, and the balance, if any, refunded to the grantee;

That bids received pursuant to this notice will be publicly opened at 10:30 a.m., October 29, 1938, in Room 301, California State Building, Los Angeles, or at such later time and date as the Commission shall determine;

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

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 AGREEMENTS FOR EXTRACTION OF OIL, GAS AND OTHER HYDROCARBONS, FROM CERTAIN SUBMERGED LANDS OF THE STATE OF CALIFORNIA SITUATE IN ORANGE COUNTY, CALIFORNIA.

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

WELL LOCATION NUMBER	COORDINATES OF COURSE AT -4200 FEET (Origin of coordinates is intersection of centerlines of Ocean Ave. and 23rd St., Huntington Beach, Calif.)			BEARING OF PERFORATED PORTIONS OF Hole	MAXIMUM ALLOWABLE LENGTH HORIZONTAL PROJECTION OF HOLE
	SOUTH	WEST	EAST		
400	2165 ft.	1625 ft.		S 54°30' W	3200 ft.
401	2490 "	1245 "		S 44°15' W	3200 "
402	2820 "	860 "		S 51°30' W	3200 "
403	3145 "	485 "		S 40°30' W	3200 "
404	3470 "	100 "		S 40°30' W	3200 "
405	3895 "		390 ft.	S 40°30' W	3200 "
406	3490 "		735 "	S 40°30' W	2900 "
407	3110 "		1060 "	S 40°30' W	2600 "
408	2730 "		1390 "	S 40°30' W	2300 "
409	2350 "		1715 "	S 40°30' W	2000 "

Each bidder may propose to enter into an agreement with the State of California for the extraction of oil, gas and other hydrocarbons from any one or more of the hereinbefore described locations.

Each bidder, as a condition precedent to the consideration of such bidder's bid, in addition to other qualifications contained in the "State Lands Act of 1938," shall present at the time of the delivery of such bid or bids to the State Land Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way northerly of the northerly line of Ocean Avenue and between the easterly boundary of 10th Street and the westerly boundary of 23rd Street, in the City of Huntington Beach, State of California, 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 form of agreement for easement shall include the following:

(1) The owner or owners of the real property situate northerly of the northerly line of Ocean Avenue and between the easterly line of 10th Street and the westerly line of 23rd Street, in the City of Huntington Beach, State of California, shall execute the endorsement on said agreement, acknowledging that the bidder has been granted all necessary sites, rights-of-way and easements; and

(2) Bidder shall transmit to the Commission with the bid either (a) an 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 property situate northerly of the northerly line of Ocean Avenue and between the easterly line of 10th Street and the westerly line of 23rd Street in the City of Huntington Beach, State of California, 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 whether 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 bids were 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 \$2500 as a deposit of evidence of good faith, and except in the case of the successful bidder shall be returned to the respective bidder. Should the successful bidder fail or refuse to execute the agreement for easement within 15 days of the award thereof by the Commission, deposit shall be forfeited to the State of California; otherwise the amount of said deposit shall be applied upon the annual rental 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 the State Lands Commission, Room 301, California State Building, Los Angeles, on or before 10 o'clock a.m., of the 29th day of October, 1938. Upon the sealed envelope containing such bid shall be written "Bid of (name of bidder) made pursuant to the notice of intention of the State Lands Commission to enter into agreement for extraction of oil, gas and other hydrocarbons from submerged lands in the County of Orange, State of California."

Bids received pursuant to this notice will be publicly opened at 10:30 a.m., October 29, 1938, in Room 301, California State Building, Los Angeles, or at such later time and date as the Commission shall determine.

Form of bid entitled "Agreement for Easement _____, Huntington Beach," may be obtained at the office of the Commission, Room 301, California State Building, Los Angeles, California.

A map showing the locations hereinbefore described may be viewed 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 those certain ten locations of submerged lands situate in the County of Orange, State of California, are more specifically described as follows, to wit:

WELL LOCATION NUMBER	COORDINATES OF COURSE AT -4200 FEET (Origin of coordinates is inter- section of centerlines of Ocean Ave. and 23rd St., Huntington Beach, Calif.)			BEARING OF PERFORATED PORTION OF HOLE	MAXIMUM ALLOWABLE LENGTH HORIZONTAL PROJECTION OF HOLE
	SOUTH	WEST	EAST		
400	2165 ft.	1625 ft.		S 54°30' W	3200 ft.
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406	3490 "	735 "	735 "	S 40°30' W	2900 "
407	3110 "		1060 "	S 40°30' W	2600 "
408	2730 "		1390 "	S 40°30' W	2300 "
409	2350 "		1715 "	S 40°30' W	2000 "

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.

Upon motion of Mr. Hatfield, seconded by Mr. Wiley, 32 items totalling \$635.41 were approved.

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