

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento, May 21, 1943, at 10 o'clock A. M.

Present

John F. Hassler, Chairman
Frederick F. Houser, Member
Harry B. Riley, Member

Absent

None.

1. The minutes of the State Lands Commission meetings held in Sacramento on March 23, 1943 and April 29, 1943, were, upon motion of Mr. Riley, seconded by Governor Houser, unanimously approved and confirmed, subject, however, to amendment of items in the April 29, 1943 minutes as follows:

Item No.	16
" "	17
" "	18
" "	30

and the deletion of item No. 41 from the minutes of the meeting of March 23, 1943.

2. Upon motion duly made and carried, a resolution was adopted confirming the action of the Executive Officer in issuing a temporary authorization for the Standard Oil Company to establish a telephone cable crossing on Montezuma Slough and authorizing the issuance of a right-of-way permit for a period of six months for a consideration of \$20.00.

3. Upon motion of Governor Houser, seconded by Mr. Riley, a resolution was adopted whereby the Executive Officer was instructed to thoroughly investigate and report back to the Commission at its next meeting regarding the matter of development of the probable oil pool on tide and submerged land lying offshore from Newport Beach in Orange County. The report shall bring out the pertinent facts relative to the oil development now going on in the area, the location of upland drilling sites and their relation to the beach and highway at this point. Due consideration is to be given to the prevention of contamination or spoiling of the beach and ocean in such plan or proposal for development.

4. Upon motion duly made and carried, a resolution was adopted whereby the Commission again declined to sell to F. J. Hill the $S\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 16, T. 15 S., R. 28 E., M.D.M., and the Executive Officer was instructed to so inform Mr. Hill.

5. A letter was read from the State Controller in which he stated that the sum of \$125,000.00 should be transferred from the State Lands Act Fund to the General Fund and State Park Maintenance and Acquisition Fund in percentages of 30 and 70, respectively.

Upon motion of Governor Houser, seconded by Mr. Riley, and unanimously carried, a resolution was adopted directing the transfer from the State Lands Act Fund in accordance with the suggestion of the State Controller.

6. Upon motion duly made and carried, a resolution was adopted whereby the Commission accepted the resignation of R. G. Nadey, Junior Petroleum Engineering Aid, from the staff of the State Lands Commission, effective May 31, 1943.

7. Upon motion duly made and carried, a resolution was adopted whereby the Executive Officer was instructed to inform the Attorney General's office that the finding for the State of a \$16,000.00 judgment which was indicated by Judge Brand in the matter of People vs. Ocean Front Oil Company would be satisfactory to the Commission provided such judgment is rendered.

8. Pursuant to the advertisement of March 29-April 2, 1943, inclusive, the matter of the bid received for an oil and gas lease at Huntington Beach was opened for discussion. Mr. H. R. Hamilton, and his Counsel, Mr. Eugene Overton, appeared upon behalf of H. R. Hamilton, Operator, the high bidder. The Commission requested an explanation of the financial status submitted with the H. R. Hamilton, Operator, bid, together with an explanation of the interest and responsibility of Freeman E. Fairfield, whose financial statement was also submitted with the bid. Mr. Hamilton explained that the term "H. R. Hamilton, Operator" was a fictitious term under which a partnership, consisting of H. R. Hamilton and Freeman E. Fairfield, existed. Mr. Hamilton further explained that both Mr. Hamilton and Mr. Fairfield would be partners under the executed lease if it should be issued.

The joint bid of Wilshire Oil Company and the Beloil Company was next discussed, and Messrs. Don Weaver, Vice-President of Wilshire Oil Company, Paul Lower, Counsel for Wilshire Oil Company, and M. E. Frazier, President of Beloil Company, Ltd., outlined for the benefit of the Commission their position of reliability and financial stability, together with a presentation of data in support of their statements. It was pointed out by Mr. Lower, Counsel for Wilshire Oil Company, that, although they recognized they were not the high bidder, they had requested an opportunity of appearing before the Commission for the purpose of presenting data which would convince the Commission of their joint financial soundness in the event the Commission should care to consider them in connection with the award. Chairman Hassler inquired as to whether there were any representatives of other bidders present who might desire to be heard. On being informed that no other representatives were present, and in consideration of the H. R. Hamilton, Operator, "bid factor" 1.63 being the highest received; upon motion of Mr. Hassler, seconded by Mr. Riley, and unanimously carried, a resolution was adopted awarding the bid to H. R. Hamilton, Operator (a fictitious name consisting of H. R. Hamilton and Freeman E. Fairfield as partners).

9. Upon motion duly made and carried, a resolution was adopted whereby confirmation was given for the appointment from the civil service eligible list for Associate Civil Engineer, of H. L. George, a registered civil engineer, as a replacement for T. L. Atherton, for the duration. Mr. George is to report for work on June 1, 1943, at a salary of \$260.00, plus \$25.00 emergency increase per month.