

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento on March 4, 1947 at 10:00 A.M.

Present: Honorable James S. Dean, Chairman
Honorable Goodwin J. Knight, Member
Honorable Thomas H. Kuchel, Member.

1. Upon motion duly made and unanimously carried, the minutes of the meeting of the State Lands Commission held in Sacramento on January 8, 1947 were approved and confirmed as submitted.

2. Upon motion duly made and unanimously carried, the matter of a date for the next meeting of the Commission was deferred for later determination.

3. (Agreement for Easement No. 415 - Standard Oil Company of California - Rio Vista) Upon motion duly made and unanimously carried, a resolution was adopted approving the 17th Revision of the State's acreage and gas allotment under Agreement for Easement No. 415 - Rio Vista (Ratable Taking Plan) effective retroactive to 8 a. m. October 15, 1946, giving the State an estimated productive area of 1211.61 acres in the West Hamilton Pool with a percentage of gas allotment of 13.0986 per cent.

4. (Amendment to Assignment of Oil and Gas Lease No. P.R.C. 91) Upon motion duly made and unanimously carried, a resolution was adopted approving an amendment to partial assignment of State Oil and Gas Lease No. P.R.C. 91 dated December 9, 1943, wherein the ownership of "State" M-2 now known as "State" 25. is assigned to the Huntington State Company by Hamilton and Sherman, Operators. In connection with the amendment to partial assignment, the Commission also approved the letter agreement dated December 4, 1946 between H.R. Hamilton, et al., and the Huntington State Company which transferred to the Huntington State Company the bore hole of "State" M-2 within State Oil and Gas Lease No. P.R.C. 91.

5. (Technical Default in Drilling Performance Under Oil Leases) The Commission was informed that defaults under the terms and conditions of the leases listed below continue to exist for the reason that the respective lessees continue to experience difficulties in obtaining the requisite casing and drill pipe; and in some instances, are restricted from conducting further operations because of anti-drilling ordinances within certain cities of the sixth class.

<u>Lease No.</u>	<u>Lessee</u>	<u>Field</u>
P.R.C. 91	Huntington State Company	Huntington Beach
P.R.C. 132	Marine Exploration Company	Seal Beach
P.R.C. 144	Fullerton Oil Company, et al.	Rincon Field
P.R.C. 145	" " " "	" "
P.R.C. 163	Signal Oil and Gas Company	Huntington Beach
P.R.C. 186	Marine Exploration Company	Seal Beach

A letter dated March 4, 1947 from the Marine Exploration Company stating the operating problems under Lease No. P.R.C. 186 was read.

Upon motion duly made and unanimously carried, a resolution was adopted that no notice of default should be served on the lessees included in the hereinbefore stated tabulation, and authorizing the Acting Executive Officer to request the opinion of the Attorney General as to:

- (1) Whether an ordinance passed by a city of the sixth class can prevent the State and/or its lessees from erecting derricks, or developing State land under oil and gas lease within its boundaries, and,
- (2) Whether an island constructed by fill in the Pacific Ocean would be usable for drilling purposes and would constitute "filled land" as required by Section 6873 (a) of the Public Resources Code.

6. (Gas Sales Contract - Honolulu Oil Corporation - Oil and Gas Lease No. 56, Rincon Field, Ventura County) The Commission was informed that a new gas sales contract between the Coline Gasoline Corporation and the Southern Counties Gas Company covering the processing and disposition of gas from Lease No. 56 from December 1, 1946 for a period of two and one-half years and providing for the net payment of eight cents per m.c.f. for surplus residue gas at Rincon had been submitted by the lessee for approval as required by the lease.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to approve the contract between the Coline Gasoline Corporation and the Southern Counties Gas Company for the processing and disposition of gas from Oil and Gas Lease No. 56 of the Honolulu Oil Corporation dated December 1, 1946, subject to the conditions that the approval is to state that it is not to be construed as a waiver on the part of the State of any rule or regulation concerning oil and gas leases or any provision of said oil and gas leases inconsistent with any one or more conditions of the contract, and further, that nothing in the contract shall prevent the State from exercising its right to take, and to take, its royalty in kind upon reasonable notice to the lessee.

7. (Gas Sales Contract - Standard Oil Company of California - Agreement for Easement No. 338, Huntington Beach Field, Orange County) The Commission was informed that the Standard Oil Company of California, lessee under Agreement for Easement No. 338, Huntington Beach had submitted for approval a letter