

<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

extension of the gas sales contract between the Standard Oil Company and the Pacific Lighting Company dated January 1, 1937 and expiring August 31, 1946, approved heretofore by the State Lands Commission providing for the payment of eight cents per m.c.f. for all gas delivered under the agreement from August 31, 1946 to and including August 31, 1951.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to approve the letter agreement extension of the gas sales contract of January 1, 1937 between the Standard Oil Company of California and the Pacific Lighting Corporation, effective August 31, 1946 and expiring August 31, 1951 for the sale of natural gas from Easement No. 338, subject to the condition that the approval shall not be construed as a waiver on the part of the State of any rule or regulation now or hereafter in effect covering Agreement for Easement No. 338, or any reasonable rule or regulation which may hereafter be promulgated by the Commission with reference to said agreement, or any provision of the above mentioned Agreement for Easement inconsistent with any of the provisions of said contract, and that such approval shall not prevent the State from exercising its right to take, and to take, its royalty in kind after reasonable notice to the lessee.

8. (Advertisement for Bids for Leases for Extraction of Oil and Gas from Tide and Submerged Lands - Goleta Point, Santa Barbara County - W. O. 87) Bids for leases for the extraction of oil and gas from tide and submerged lands near Goleta Point, received pursuant to the publication of notice of intention as authorized by the Commission on January 8, 1947, were presented to the Commission for consideration.

One bid was received for each parcel advertised. Both bids were presented by the Honolulu Oil Corporation, Signal Oil and Gas Company and Macco Corporation as joint bidders, offering a bid factor of 0.925 which would yield a royalty of 25.90 per cent on an average daily production per well of 200 barrels. A full discussion of the bids submitted was held. Mr. A. C. Mattei of Honolulu Oil Corporation and Mr. D. H. Lycan of the Signal Oil and Gas Company representing the bidders were present.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to execute and issue a lease for 1,920 acres of tide and submerged lands near Goleta Point, being Parcel 1 as advertised in the notice of intention authorized by the Commission on January 8, 1947, and a lease of 1,920 acres, being Parcel 2 to the Honolulu Oil Corporation, Signal Oil and Gas Company and Macco Corporation, joint tenants, for a term of twenty years in accordance with the bids as submitted.

9. (Application for Lease of Tide and Submerged Lands - Point Orient - San Francisco Bay - Standard Oil Company of California - W. O. No. 38) The Commission was informed that an application had been received from the Standard Oil Company of California for a lease of an area of tide and submerged lands at Point Orient, southerly of Point San Pablo in San Francisco Bay, for