

A meeting of the State Lands Commission was held in Room 301 State Building, Los Angeles, on September 19, 1947 at 2:30 P.M.

Present: Honorable Goodwin J. Knight, Member
Honorable Thomas H. Kuchel, Member

Absent: Honorable James S. Dean, Chairman.

1. Upon motion duly made and unanimously carried, the minutes of the meeting of the State Lands Commission held in Los Angeles on August 19, 1947 were approved and confirmed as submitted, with the exception of Item 16, (Sale of Vacant School Land, Application No. 4607, Sacramento Land District - Napa County - Eleanore Alice Gunn). This action was rescinded and an alternate recommendation made in the calendar of business to come before this meeting.

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. (Advertising for Bids for Lease for Extraction of Oil and Gas on Tide and Submerged Lands, Mouth of Santa Clara River, Ventura County - W.O. 131, P.R.C. 337) Bids for lease for the extraction of oil and gas from tide and submerged lands northerly from the mouth of the Santa Clara River in Ventura County as received pursuant to the publication of notice as authorized by the Commission on April 18, 1947, were presented to the Commission for consideration.

The bids received were from the Pacific Basin Development Company, and a joint bid from the Richfield Oil Corporation and Alphonso E. Bell Corporation. The bid factor offered in the joint bid of Richfield Oil Corporation and Alphonso E. Bell Corporation was 1.5272. The bid factor offered by Pacific Basin Development Company was 0.90. Pacific Basin Development Company failed to furnish satisfactory evidence of present ability to furnish all necessary drill sites, easements and rights of way for the operations contemplated and failed to file a financial statement establishing responsibility.

Compliance of the Richfield - Bell bid with the terms of the notice of intention and the bid form is complete, but the qualifying condition in the letter of transmittal accompanying the bid may be construed to require the qualifying condition in the award of the lease. No reply has been received from Secretary of Interior Krug approving, in accordance with the status quo stipulation entered into July 26, 1947, the issuance of an oil and gas lease in accordance with the notice of intention to receive bids.

The Commission thereupon took the following actions:

Upon motion duly made and unanimously carried, a resolution was adopted rejecting the bid of the Pacific Basin Development Company for the reason that the bid as submitted deviated from the requirements and provisions of the notice of intention of the State Lands Commission to receive offers to enter into a lease for the extraction of oil and gas from certain tide and submerged lands of the State of California situate offshore from the mouth of the Santa Clara River, Ventura County, and from the requirements and provisions of the bid form of lease and is the lowest bid offered.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the award of a lease to the Richfield Oil Corporation and the Alphonso E. Bell Corporation for the extraction of oil and gas from approximately 1,920 acres of tide and submerged lands of the State of California situated offshore from the mouth of the Santa Clara River, Ventura County, in accordance with the terms and conditions of the bid form of lease as submitted by the joint bidder and offering a bid factor of 1.5272. This approval is subject to approval of the award by the Secretary of Interior and further subject to an acceptance clause mutually agreed upon by the State and the joint bidder and concurred in by the Attorney General covering possible qualification appearing in Paragraph 2 of the bidder's transmittal letter.

4. (Request for Suspension of Drilling Requirements -- Honolulu - Signal - Macco Lease No. P.R.C. 308 - Coal Oil Point, Santa Barbara County) The Commission was informed that a request had been received from Honolulu - Signal - Macco, joint lessees under Lease Nos. P.R.C. 308 and 309, for permission to suspend operations on Lease No. P.R.C. 308 for a period of not to exceed sixty days. The request for suspension of operations is made in order that operations currently being conducted under Lease No. P.R.C. 309 will furnish geological information and demonstrate the productivity of the area, in order to provide a foundation for further work under Lease No. P.R.C. 308.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to grant to Honolulu - Signal - Macco a suspension of drilling and operating requirements under State Oil and Gas Lease No. P.R.C. 308 for a period not to exceed sixty days.

5. (Gas Sales Contract - Marine Exploration Company - Lease No. P.R.C. 186, Seal Beach) The attention of the Commission was called to its action on August 19, 1947 authorizing the Executive Officer to approve Bid No. 797 of the Marine Exploration Company covering the delivery of gas from Marine Exploration Company State No. 1 Well under Lease No. P.R.C. 186, to the Department of Water and Power of the City of Los Angeles. This bid provided a gas sales price which would have been twenty-two cents per m.c.f. and for the amortization of a pipeline installation cost of \$4,500.00 at the rate of \$.0717 per m.c.f. from the first 62,762 m.c.f. of gas delivered.