

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.

The bid was not accepted by the Department of Water and Power because it was proposed to establish the sales price of gas in relation to the market price of fuel oil as posted by one marketing company only. A new bid is now being submitted by the Marine Exploration Company which will establish the sales price of gas in relation to the average market price of fuel oil as posted by the Standard Oil Company, General Petroleum Corporation and the Union Oil Company, providing a current sales price of \$.2355 per m.c.f. The pipeline installation cost of \$4,500.00 would be amortized at the rate of \$.0855 per m.c.f. from the first 52,632 m.c.f. of gas delivered.

The Marine Exploration Company has now requested approval of the revised bid, as proposed.

Upon motion duly made and unanimously carried, a resolution was adopted withdrawing the approval given heretofore to Bid No. 797 of the Marine Exploration Company, and authorizing the Executive Officer to approve Bid No. 808 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 for a period of six months commencing fourteen days after the date of award of contract. The approval is to be subject to the specific condition that at the expiration of the gas delivery contract, Well P.R.C. 186 - 1 will be deepened by the lessee to establish the oil production possibilities of the Lease, or that in lieu thereof, a new well will be commenced for the same purpose. In the event that the drilling of such second well should demonstrate commercial production of oil from Lease No. P.R.C. 186, Well P.R.C. 186 - 1 is thereupon to be eliminated from gas production by deepening to the oil horizon or shutting-in.

6. (Geophysical Exploration - The Texas Company - Santa Barbara County - W.O. 148, P.R.C. No. 327) The Commission was informed of a request from The Texas Company for an extension of the permit to conduct geophysical exploration operations on submerged lands heretofore approved for the period June 19, 1947 to November 19, 1947, by the Commission on action taken June 12, 1947. No operations have been conducted under this permit heretofore, and permission and approval for this seismic exploration work has now been issued by the Fish and Game Commission for the period September 21, 1947 to December 20, 1947, inclusive, for the area from the Santa Barbara Breakwater to Point Conception.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue a modified letter permit to The Texas Company for the conduct of geophysical exploration operations on submerged lands between the Santa Barbara breakwater and Point Conception, Santa Barbara County, during the period September 21, 1947 to December 20, 1947, inclusive, subject to the specific conditions that such operations be conducted only pursuant to a valid permit by the Division of Fish and Game authorizing the use and discharge of the requisite explosives.