

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.