

Upon motion duly made and unanimously carried, a resolution was adopted accepting the bid of the Southwest Exploration Company of November 30, 1949, having a bid factor of 1.10 for an oil and gas lease on 835 acres of tide and submerged lands at Huntington Beach, designated as W.O. 404, P.R.C. 425, and authorizing the Executive Officer to execute and issue the subject bid form of lease to the Southwest Exploration Company, subject to the filing of a performance bond in the amount of \$25,000.

35. (BIDS FOR OIL AND GAS LEASE, 640 ACRES OF TIDE AND SUBMERGED LANDS - HUNTINGTON BEACH - W.O. 405, P.R.C. 426) The Commission was informed that on December 21, 1949 (Minute Page 1049-50, Item 21), the Commission authorized deferment of a decision on the award of a lease pursuant to bids submitted for 640 acres of tide and submerged lands at Huntington Beach under W.O. 405 pending receipt from the Attorney General of a formal opinion on the following questions:

1. Does the Commission have adequate powers of eminent domain for the acquisition of necessary sites and rights of way?
2. Could the Commission obtain immediate possession of drill sites through condemnation?
3. Which bids received qualify under the Commission's Notice of Intention to Receive Bids?

The formal opinion of the office of the Attorney General (No. 49/257) summarized in the order of the questions detailed above states:

1. The State may not acquire such drill sites unless and until the State's ownership of the leasehold lands is confirmed and established.
2. The answer to the first question being in the negative, the answer to this question is likewise in the negative.
3. The bid offer of the Signal Oil and Gas Company is the only bid offer legally qualified as a proper bid for consideration as the basis for award of an oil and gas lease.

Persons appearing in connection with this matter were given an opportunity to be heard. Those so speaking were Messrs. R. T. Patton of Shell Oil Company and Wm. Clary on behalf of Signal Oil and Gas Company and Southwest Exploration Company. After due consideration of Opinion No. 49/257 of the Attorney General, it was the consensus of the Commission that it should be bound by the legal advice therein given.

Upon motion duly made and unanimously carried, a resolution was adopted accepting the bid of the Signal Oil and Gas Company of November 30, 1949, having a bid factor of 1.10, for an oil and gas lease on 640 acres of tide and submerged lands at Huntington Beach, designated as W.O. 405, P.R.C. 426, and authorizing the Executive Officer to execute and issue the subject bid form of lease to the Signal Oil and Gas Company, subject to the filing of a performance bond in the amount of \$25,000.00.