

13. (MODIFICATION OF AGREEMENT FOR EASEMENT 415 RIO VISTA, STANDARD OIL COMPANY OF CALIFORNIA - W.O. 486) The Commission was informed as follows: Agreement for Easement 415 Rio Vista was issued to the Standard Oil Company of California, June 3, 1940, covering the production of gas from State lands within the Rio Vista Gas Field. The sale of the gas produced under this Agreement is covered by contract between Pacific Gas and Electric Company and the Standard Oil Company of California approved by the State Lands Commission at the time of issuance of the issuance of the easement agreement. The rates of production of gas under the easement are governed by the "Rio Vista Ratable Taking Plan" effective September 1, 1945, and approved by the Commission on July 18, 1946. This latter plan provides for equitable production allocation of all gas produced from any lands within the limits of Rio Vista Field as established by the parties to the Plan.

The Standard Oil Company of California, The Texas Company, the Amerada Petroleum Corporation (all participants in the Rio Vista Ratable Taking Plan) and the Brazos Oil and Gas Company (non-participants in the Ratable Taking Plan) are the lessees of all lands at the easterly limits of the Rio Vista Field in the vicinity of the city of Isleton. This group of four lessees and operators have determined that more effective operation of such lands in the Isleton area could be obtained by operation of all leases in the area as a unit. Such agreement for unit operation would become effective upon the approval of the agreement by the State Oil and Gas Supervisor pursuant to Section 3301 of the Public Resources Code and the execution of the agreement within a period of 120 days by at least 90% of the royalty interest holders in the area (landowners). Gas production from the area would be allocated to all leases in the proportion that the individual leases now contain gas as computed from all available geologic and engineering data.

The Standard Oil Company, as the lessee of the State, has requested the consent of the State to a modification of Agreement for Easement 415 to permit the exclusion from the provisions of the "Rio Vista Ratable Taking Plan" of that portion of the easement area lying within the limits of the proposed unit agreement for the Isleton Gas Field and the inclusion of such area under the provisions of the unit agreement. Such modification would require concurrent approval of a modification of the gas contract of May 16, 1940 between the Pacific Gas and Electric Company and the Standard Oil Company of California to permit the production of gas from State lands in the Isleton area under the provisions of the Unit Agreement for the Isleton Gas Field in lieu of the provisions of the "Rio Vista Ratable Taking Plan".

All geologic records, engineering data and computations used in the establishment of the proposed bases for production distribution under the unit agreement have been reviewed in detail by the staff and found to be a reasonable interpretation relative to the State lands involved. Under the Rio Vista Ratable Taking Plan, the State participates in the gas production from the affected lands in the proportion of 2.0540% by virtue of production from the East Midland pool of the Rio Vista Field. Under the Unit Agreement for the Isleton Gas Field, the State's initial production participation would be 6.981%.

Mr. George F. Schroeder representing the Standard Oil Company of California was present during the consideration of this matter.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO PERFORM THE FOLLOWING:

1. APPROVE AMENDMENT TO AGREEMENT FOR EASEMENT 415 TO REMOVE THE STATE'S PRODUCTIVE LANDS IN THE ISLETON AREA FROM THE PROVISIONS OF THE RIO VISTA RATABLE TAKING PLAN ONLY.
2. FORM OF LESSORS' CONSENT IS TO BE DEVELOPED BY THE STAFF AND THE STANDARD OIL COMPANY OF CALIFORNIA AND PRESENTED TO THE STATE LANDS COMMISSION FOR FINAL CONSIDERATION.
3. APPROVE MODIFICATION OF THE CONTRACT OF MAY 16, 1940 BETWEEN THE PACIFIC GAS AND ELECTRIC COMPANY AND THE STANDARD OIL COMPANY OF CALIFORNIA RELATING TO GAS DELIVERIES FROM EASEMENT 415 TO PERMIT THE PRODUCTION AND DELIVERY OF GAS FROM THE ISLETON AREA PURSUANT TO THE TERMS OF THE AFORESAID UNIT AGREEMENT FOR THE ISLETON GAS FIELD.

14. (PROPOSED LEGISLATION, 1951 LEGISLATIVE SESSION - W.O. 540) The Commission was informed as follows: During the 1949 session of the State Legislature, amendments and additions to the Public Resources Code were proposed which had been reviewed and approved by the Commission but failed of passage. This was believed to be due to the fact that they were included in an omnibus bill (S.B. 1618) which also contained several controversial items (not introduced by the Commission) relating to oil and gas leases. With the approval of the Commission, it is proposed to introduce the non-controversial items as separate bills in the coming session. These are as follows:

An act to amend the title of Article 3 of Chapter 4, Part 1, Division 6 and Section 6357 of the Public Resources Code

- Sec. 1. The title of Article 3, Chapter 4, Part 1, Division 6, of the Public Resources Code, is amended to read:

Article 3. Procedure on Establishment of Ordinary High-water and Low-water Mark.

- Sec. 2. Section 6357 of said code is amended to read:

Section 6357. The Commission may establish the ordinary high-water mark or the ordinary low-water mark of any of the swamp, overflowed, marsh, tide, or submerged lands of this State, either by arbitration or action to quiet title, whenever it is deemed expedient or necessary.

An act to add Section 6501.1 to the Public Resources Code and to amend Section 6502 of said code.

- Sec. 1. Section 6501.1 is added to said code, to read:
6501.1. Lands owned by the State may be leased for such purpose or purposes as the commission deems advisable, including but not limited to grazing leases, leases for commercial or industrial purposes and leases for campsites.
- Sec. 2. Section 6502 of said code is amended to read:
Section 6502. Any person, firm or corporation desiring to lease