

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Capitol, Sacramento, at 10 a.m., on December 30, 1938.

Present were:

A. E. Stockburger, Chairman
Harry E. Riley, Member

Absent was:

George J. Hatfield, Member

The Executive Officer presented the minutes of the Commission for meetings held September 19 and 26, October 3 and 29, November 4 and December 6, 1938. Upon motion of Mr. Riley, seconded by Mr. Stockburger, and unanimously carried, the minutes of said meetings were approved as presented.

The Executive Officer advised the Commission that no bids had been received pursuant to notice of intention of the Commission to offer certain tidelands and submerged lands at Carpinteria in Santa Barbara County, California, for extraction of oil and gas. Upon motion of Mr. Riley, seconded by Mr. Stockburger, said offer of Commission was withdrawn.

The Executive Officer presented the application of Rincon Oil Company, assignee of State Oil and Gas Lease No. 82, for an extension of one year within which to complete drilling of an additional well upon the area described in the lease, together with recommendation of T. L. Atherton, Engineer of the Division, that the application be approved. Upon motion of Mr. Riley, seconded by Mr. Stockburger, and unanimously carried, the application was approved.

The Executive Officer presented the application of Kirk E. Boone, lessee of State Oil and Gas Lease No. 81, for an extension of one year after January 1, 1939, within which to perform required drilling requirements upon the area described in said lease, together with recommendation of T. L. Atherton, Engineer of the Division, that the application be not approved because of lack of diligence upon the part of the lessee in the development of the property. Upon motion of Mr. Riley, seconded by Mr. Stockburger, the application of Kirk E. Boone for an extension of the period of one year from January 1, 1939, within which to perform drilling operations, was denied, and the Executive Officer was instructed to take necessary steps to bring about a cancellation of the said lease for failure of the lessee to perform drilling requirements in accordance with the terms of the lease.

A report of Dr. E. K. Soper, Consulting Geologist and Engineer of the Commission, on drainage of gas from State lands in the Rio Vista Gas Field, Solano and Sacramento Counties, was presented for consideration as follows:

REPORT ON DRAINAGE OF GAS FROM STATE LANDS IN THE
RIO VISTA GAS FIELD, SOLANO AND SACRAMENTO
COUNTIES

On September 19, 1938, I submitted a report to the State Lands Commission entitled "Status of State Lands in the Rio Vista Gas Field." Since that report was prepared much additional information has become available which necessitates certain corrections of an additions to the data contained therein.

DRAINAGE

Drainage of gas from the State Lands beneath the Sacramento River is now occurring and has been occurring for some time. The Rio Vista gas field is currently producing and marketing gas at the rate of about 12,000,000 cubic feet per day. The rate of production may be increased in the near future which would still further increase the drainage losses being suffered by the State Lands. Because of the ease and rapidity with which gas moves through the reservoir gas sands, production from wells located anywhere in the field would tend to cause some drainage of gas from the State lands, although such drainage loss would be greater where wells are located and producing near the State lands.

WELL CAPACITIES

The potential producing capacity of the 23 productive wells so far completed will range from 20,000,000 to more than 42,000,000 cubic feet per twenty-four hours.

PROVEN ACREAGE OF RIO VISTA FIELD

The probable productive area of the Rio Vista field is estimated (from incomplete data) to be about 12,000 acres.

PROBABLE PRODUCTIVE AREA OF STATE LANDS

The probable productive area of the State lands beneath the Sacramento River is estimated to be about 1500 acres, or 12 $\frac{1}{2}$ per cent of the estimated total productive area of the field.

LOCATION OF STATE LANDS UPON THE STRUCTURE

The Sacramento River crosses the middle of the structure from north to south and hence the State lands (which lie beneath the river) occupy a very favorable position on the geological structure. Wells drilled into these lands should be at least as productive as other wells on the uplands near the river. The distance across the structure, measured along the river, is about five miles.

THICKNESS OF THE GAS SANDS

The average thickness of the gas sands in the wells completed to date is 110 feet.

RESERVOIR PRESSURE

The average reservoir pressure (rock pressure) of the gas is about 1715 pounds per square inch.

POROSITY OF THE GAS SANDS

The average porosity of the gas sands determined from the rock cores is estimated to be about 15%.

TOTAL GAS SUPPLY IN THE FIELD

Estimates of the total quantity of gas in the Rio Vista field (based upon incomplete data and therefore subject to revision) show a probable ultimate capacity of about 1,000 billion (one trillion) cubic feet at atmospheric pressure.

ESTIMATED PRODUCTIVE LIFE OF THE FIELD

The productive life of any oil or gas field depends upon the rate of production. If the present daily rate of production of 12,000,000 cubic feet were maintained the field would produce for 228 years. At 50,000,000 cubic feet per day, which rate will probably not be exceeded, the field would produce for 54 years. The daily rate of production per well is usually restricted to about 10% of the well's "wide open" potential capacity.

PRICE RECEIVED FOR RIO VISTA GAS

At present gas delivered to pipe lines in the Rio Vista field is selling for about 10 cents per thousand cubic feet with a two cent reduction in the cases of certain sales. Over a period of years an average price of between 8 and 10 cents may reasonably be expected for gas in this field.

PROCEDURE NECESSARY IN ORDER TO PROTECT THE STATE FROM LOSS BY DRAINAGE OF GAS

The State may follow either of two alternative courses to protect itself from loss due to drainage of gas from beneath its lands in this field.

(1) Negotiate for compensatory royalties to be paid to the State by all operators on the uplands.

(2) Call for bids for drilling offset wells on the State lands, the State to receive royalties on the gas production. Under this program permits for drilling would be awarded to the bidder offering the highest royalty.

RECOMMENDATION

In view of the extremely complicated condition of land ownership within the area, especially on the east side of the

river, where there are dozens of small tracts under different ownership, and also because of the great difficulty in determining a fair proration of royalties to be paid by various operators situated far from the river, it is my belief that the State should abandon the idea of attempting to negotiate compensatory royalties. It is recommended that the State should adopt the course of calling for bids for permits to drill slant wells beneath the river from derrick sites situated on the levees, or river banks, preferably on the east side of the channel where there is a good highway. If the levee or river bank belonging to the State is not wide enough for the surface drilling plant, short piers, or platforms on piling may be erected in the river adjacent to the shore.

The distance along the river where it crosses the gas structure is about five miles. With a conservative well-spacing program of one half mile between wells, there will be room for ten State royalty wells. Because of the incompleteness of geological data now available which makes it impossible to determine at present the exact positions of the edges of the productive area, it is recommended that the two State well locations near the north and south limits of production be not offered for bid until more data is available or until additional upland drilling makes immediate offsetting necessary at these two locations. The program recommended anticipates calling for bids for eight (8) wells located along the river embankment and spaced at intervals of approximately one half mile. These locations are shown on a map of the Rio Vista gas field on file in our office.

(SIGNED) E. K. SOPER

E. K. Soper
Consulting Geologist

December 22, 1938.

Note: In case there should be uncertainty as to the State's title to the ownership of the surface along the river levee, or to portions of the present river channel which have been diverted by artificial dredging or other modifications, the State could follow the procedure adopted at Huntington Beach, i.e., require the bidder for permits to show valid rights to surface locations on the uplands. There will be no technical difficulty in producing gas from the State lands beneath the river by means of wells slant drilled from surface locations considerable distances back from either side of the river.

Upon motion of Mr. Riley, seconded by Mr. Stockburger, Dr. E. K. Soper and the Executive Officer were directed to proceed in accordance with the plan outlined in said report and furnish the Commission with a program for offsetting drainage from submerged lands of the State.

A proposed regulation to govern redrilling of wells described in easements, drafted by Dr. E. K. Soper, Consulting Geologist and

Engineer of the Commission, was presented to the Commission for consideration. Mr. Riley put resolution as follows:

BE IT RESOLVED That resolution be adopted as follows:

REGULATION GOVERNING REDRILLING
OPERATIONS OF WELLS DRILLED IN LANDS
OF THE STATE OF CALIFORNIA

No permit or consent for redrilling existing oil and gas wells will be granted unless the following conditions can be met:

- (1) No point in the redrilled portion of the well shall be farther than 100 feet from the old hole. That is to say, the redrilled hole shall be restricted to a cylinder of 100 feet radius with the old hole as the axis of said cylinder.
- (2) The bottom of the redrilled hole shall be located not more than 100 feet from bottom of the old hole.
- (3) No part of the redrilled hole not open to production (blanked off) shall come closer than 50 feet from any existing well other than the abandoned well being redrilled.
- (4) No part of the redrilled hole open to production (perforated) shall come closer than 200 feet from the perforated portion of any existing well other than the abandoned well being redrilled.
- (5) All drilling within the oil zone shall be done with oil as circulating fluid.
- (6) No applications for redrilling will be considered unless it is shown that the proposed redrilling is necessary or desirable because of the poor mechanical condition of the old well.

The roll was called and the resolution was adopted by the following vote:

Ayes - A. E. Stockburger
Harry B. Riley

Noes - None

The Executive Officer reported to the Commission of drainage of certain lands of the State of California constituting beds of rivers and sloughs in the vicinity of McDonald Island, San Joaquin County, California, by Standard Oil Company of California, as lessee of certain landowners, and that the Standard Oil Company of California has brought such drainage to the attention of the Executive Officer with the request that consent be obtained from the Commission to enter into a Compensatory agreement with the Standard Oil Company of California to compensate the State on account of such drainage. The Commission directed the Executive Officer to go forward with negotiations with

Standard Oil Company of California and to submit to the Commission at the next meeting a form of compensatory agreement.

A. L. Diepenbrock, Engineer for The Petrol Corporation, appeared before the Commission in support of applications of the Petrol Corporation to redrill Rosemar No. 1 and Ames No. 3 named in Agreements for Easements Nos. 308 and 323, Huntington Beach, respectively. After a full hearing followed by discussion, Mr. Riley put resolution as follows:

BE IT RESOLVED That the Petrol Corporation and the engineer of the State Lands Commission endeavor to redrill said wells known as Rosemar No. 1 and Ames No. 3 of The Petrol Corporation in accordance with regulation adopted this date by the Commission, and upon failure to do so, that the Executive Officer be authorized and directed to offer for the extraction of oil, gas and other hydrocarbons, locations heretofore known and designated as numbers 402 and 403 and 404.

The roll was called and the resolution was adopted by the following vote:

Ayes - A. E. Stockburger
Harry B. Riley
Noes - None

By resolutions adopted by unanimous vote, the Executive Officer was authorized and directed to perform the acts, and his acts were approved and confirmed, as follows:

1. Confirmation of consent to Board of Supervisors of Sonoma County, to dredge the mouth of Russian River to permit seasonal run of salmon.
2. Issuance of easement to Tidewater Associated Oil Company to reconstruct loading wharf near Rancho Nuestró Del Refugio, Santa Barbara County, California, for a term of 25 years and consideration of \$2500, said easement to be forwarded to the Director of Finance for his consideration and execution.
3. Sale of, and execution of deeds in the name of, and upon behalf of, the State Lands Commission, covering Lot 8, Block 4, Delhi Townsite, containing .07 acres for \$30 to Carmelita Cochran; Lot 9, Block 1, Delhi Townsite, containing .07 acres for \$25 to Esther J. Smith and Ray R. Smith, her husband, and Stanley W. Smith, their son, in joint tenancy, with right of survivorship; Lot 4, Block 32, Delhi Townsite, containing 0.18 acres for \$55 to Cajeten V. Mendonca; Lot 13, Block 24, Delhi Townsite, containing .17 acres, for \$60 to Esther N. Staley; Lots 31 and 32, Block 1, Delhi Townsite, containing .24 acres for \$175 to Michael Mirza.
4. Issuance of easements, for crossing of pipe lines under Sacramento River and sloughs in vicinity thereof, for transportation of gas, to Natural Gas Corporation of California, in accordance with application heretofore filed by Natural Gas Corporation of California, in accordance with application heretofore filed by Natural Gas Corporation of California, in consideration of the sum of \$100, document to be forwarded to the Director of Finance for his consideration and execution.

5. Confirmed expenditures authorized by the Executive Officer from October 3, 1938, to and including December 30, 1938, in the sum of \$9,630.98, as contained in list prepared by the accounting office of the Department of Finance and ordered filed in State Lands Commission.

6. Purchase of a drafting machine in a sum not to exceed \$65.

7. Purchase of a Dodge motor vehicle or its equivalent to replace Dodge Sedan at Huntington Beach.

8. Amendment to Agreement for Easement No. 392, Huntington Beach, to more closely define the basis for collection of State's royalty on dry gas by making State's royalty charge upon "gas produced, saved and sold, or otherwise disposed of for a consideration."

9. Transfer from Suspense Account to the State Lands Act Fund of the sum of \$8,335.96 received from M. M. McCallum Refining and Producing Company, representing proceeds from sale of the State's royalty oil.

10. Refund to Rincon Oil Company of the sum of \$93 evidenced by Receipt No. 15306; said sum of \$93 being deposited as first annual rental for lease which, in the opinion of the Chief of the Division of State Lands, no authorization existed for the issuance thereof.

11. Transfer to State Lands Act Fund from Suspense Account received from George F. Lewis in the sum of \$20, evidenced by Receipt No. 15313, representing filing fee under Chapter 69, Statutes of 1929.

12. Refund to James F. Kellen of the sum of \$5 evidenced by Receipt No. 16268, representing filing fee for permit under Chapter 303, Statutes of 1921, which Division of State Lands was not authorized to issue.

13. Transfer from Suspense Account of \$970.98, evidenced by Receipts Nos. 21314-5, paid by Shell Chemical Company, a corporation, for rental on premises fronting property owned by it at Carquinez Straits under lease never executed by the Governor, \$460 being rental at the rate of \$120 per year from March 1935 to and including December 1938, said amount to be placed in State Lands Act Fund, and refund to Shell Chemical Company, a corporation, of the balance in the sum of \$510.98.

14. Refund to H. H. McVicar and C. M. Rood of the sum of \$38.75, evidenced by Receipt No. 20884, representing the balance of deposit paid by them for advertising notice of intention to ask for bids for leases on certain lands of the State dedicated to a public use.

15. Transfer from Suspense Account to State Lands Act Fund, of the sum of \$20 received from Shell Chemical Company, evidenced by Receipt No. 17515, representing application fee for lease No. 27 under Chapter 69, Statutes of 1929.

16. Refund to John D. Lauricella of \$5, evidenced by Receipt No. 23144, representing filing fee for oil and gas permit under Chapter 303, Statutes of 1921.

17. Compensation and expenses to Legislative Counsel in the sum of \$246.21 for services rendered to the Commission by Lawrence G. Allyn, Deputy Legislative Counsel, under contract, approved by the Department of Finance July 26, 1938.

18. Issuance of the following certificates of purchase for lieu lands selected under the provisions of Section 3406 et seq of the Political Code:

- (a) Certificate of Purchase #1437 to Ruth U. Thurber under Location 10225, Los Angeles Land District, filed in Division of State Lands April 6, 1937, for 120 acres in Riverside County.
- (b) Certificate of Purchase #1438 to F. J. Anderson under Location 4468, Sacramento Land District, filed in the Division of State Lands March 22, 1937, for 36.59 acres in Butte County.
- (c) Certificate of Purchase #1439 to Gladys Nielsen under Location 10224, Los Angeles Land District, filed in the Division of State Lands March 10, 1937, for 160 acres in San Bernardino County.
- (d) Certificate of Purchase #1440 to Lowell Blanchard Close under Location 10234, Los Angeles Land District, filed in the Division of State Lands November 27, 1937, for 20 acres in Riverside County.

19. Issuance of certificate by Executive Officer certifying to the Governor that John Lewis Elkins is entitled to patent under Location No. 10248, Los Angeles Land District, for NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 16, T. 3 S., R. 3 E., S.B.M., containing 40 acres.

20. Issuance of certificate by Executive Officer certifying to the Governor that Richard M. Prickett is entitled to patent under Location No. 3700, Sacramento Land District, for the SW $\frac{1}{4}$ of Section 16, T. 12 N., R. 10 E., M.D.M.

21. Lease Application No. 713 of J. J. Fleming for 1440 acres in Lassen County at 11 cents per acre per annum.

22. Lease Application No. 714 of John Magaldi for 640 acres in Tehama County at 5 cents per acre per annum.

23. Lease Application No. 715 of George Giraldo for 640 acres in Lassen County at 5 cents per acre per annum.

24. Lease Application No. 716 of Enrique Mahnke for 640 acres in Lake County at 5 cents per acre per annum.

25. Grant of easement under Chapter 672, Statutes of 1931, to Division of Highways, over vacant school land in NE $\frac{1}{4}$ of Section 16, T. 3 S., R. 3 E., S.B.M., Riverside County.

26. Purchase from Superintendent of Documents of set of legislative bills and daily service for 1939 session of legislature.

27. Certificate of restoration of title under Section 3817 of the Political Code covering the S $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 36, T. 15 S., R. 18 E., S.B.M., purchased January 13, 1920, by H. A. Paulk under Location 135, Imperial Land District, said land having been sold to the State for taxes in 1931.

28. Execution of agreement with Mr. Godwin for photographing swamp land lists and patents, indemnity lists, and all other lists of lands granted to the State by the Federal Government on four reels at the rate of \$30 per reel.

The Executive Officer presented for consideration of the Commission draft of rules and regulations prepared by Lawrence G. Allyn, Deputy Legislative Counsel, at the instance of the Commission, to govern the issuance of prospecting permits and leases for minerals other than oil and gas, as follows:

**PROSPECTING PERMITS AND LEASES
FOR MINERALS OTHER THAN OIL AND GAS**

1. The rules included in this article relate only to lands containing deposits of minerals other than oil and gas.

2. The law relating to prospecting permits and leases is set forth in articles 1, 2, 3, and 7 of the State Lands Act of 1938.

3. Prospecting permits or leases shall not be issued for lands owned by the state and dedicated to a public use, or for tide or submerged lands.

Prospecting permits shall not be issued for lands which have been classified by the commission, prior to application for the permit, as lands containing commercially valuable mineral deposits.

4. Applications for permits shall be made to the State Lands Commission at Room 301, California State Building, Los Angeles, California.

Each application shall be accompanied by a filing fee of \$5.00.

5. No specific form of application is required. The application shall be acknowledged before a notary public and shall include the following information, in addition to such other information as is required by law:

(a) The name and address of the applicant. If a corporation, the proper corporate name and the name of the president and secretary shall be stated.

(b) A description of the lands desired to be included in the permit, described by legal subdivisions if in surveyed territory, and by metes and bounds if in unsurveyed territory. The beginning point of the description of the lands for which a permit is desired must be connected with some record survey by courses and distances.

(c) The nature of the mineral deposits or ores for which a prospecting permit is desired.

(d) Sufficient information to show that the applicant is qualified to receive a permit, as provided by law.

(e) Three references as to the applicant's reputation and business standing.

(f) If the applicant has posted a notice on the lands and recorded a copy thereof, as provided by law, the application shall so state, describing the monument erected on the lands, giving the location thereof, and stating the dates of posting and recording. The recorded copy of the notice shall be attached to the application.

6. Upon receipt of an application for a prospecting permit, the commission shall thereupon determine the royalty rate or rates which will be required to be paid under any preferential lease which may be entered into with the applicant for any portion of the lands proposed to be included in the prospecting permit. In determining such royalty rate or rates the commission shall take into consideration the kind of mineral deposit which it is anticipated may be developed, the probable cost of extraction thereof, the availability of transportation facilities, the cost of transportation to probable markets, and such other factors as may affect the value of the lease. The royalty rate or rates shall be fixed in such amount as the commission considers represents a fair rate of compensation to the state under the known and anticipated circumstances.

7. All applications shall be held by the commission for not less than thirty days and for such longer period as may be necessary or desirable. Thereafter the commission shall notify the applicant by mail of the acceptance or rejection of his application.

If the application is accepted, the notice shall state that the prospecting permit will be delivered to the applicant upon the payment by him of a sum equal to one dollar an acre for each acre included in the permit.

The notice shall also set forth the royalty rate or rates which will be required to be paid under the preferential lease to which the holder of the permit is entitled.

The notice shall state that unless the applicant pays the permit fee delivers a surety bond in the sum of \$1000 issued by a surety company approved by the commission on or before thirty days after the date of the notice, the application will thereupon be canceled and that any rights which the applicant may have by reason of making the application will then terminate.

8. Upon payment to the commission at its office in Los Angeles within the time specified in the notice of the

amount required and delivery of surety bond as aforesaid, the commission shall deliver the permit to the applicant. If the payment is not made within the time specified in the notice, the application for the permit shall forthwith be canceled and any rights of the applicant shall terminate.

9. At any time after the issuance of a prospecting permit and during the life of the permit the permittee may apply for a preferential lease of not to exceed 40 acres of the lands included in the permit. The application need not be in any specific form, but shall contain a sufficient description of the lands sought to be leased. If the lands are unsurveyed, the application shall declare that such sum of money or security as the commission may require will upon demand be deposited with the commission in advance, to reimburse the commission for the expense of surveying the lands. A lease shall not be issued to an applicant unless the lands leased have been surveyed and the entire cost of the survey paid to the commission.

The application shall be accompanied by an affidavit of the permittee or of any other person having knowledge of the facts averring that a commercially valuable mineral deposit has been discovered within the limits of the permit.

Upon the receipt of such an application and affidavit the commission may, in its discretion, require additional evidence of the discovery of a commercially valuable mineral deposit.

10. When the commission is satisfied that a commercially valuable mineral deposit has been discovered and that the applicant is entitled to a preferential lease as provided by law, it shall then have prepared and authorize the execution of such lease in duplicate.

Notice shall then be sent to the applicant that the lease will be delivered to him upon the execution by him of the copy of the lease to be retained by the commission, the payment to the commission of the annual rental for the first year of one dollar an acre, and the delivery to the commission of a good and sufficient corporate surety bond in the sum of one thousand dollars conditioned upon the faithful performance by the lessee of all the terms and conditions of the lease.

11. Upon the execution of the lease by the applicant, the payment of the rental for the first year and the delivery to the commission of a satisfactory bond, a copy of the lease executed by the commission shall be delivered to the applicant.

12. Lands which have been classified by the commission as lands containing commercially valuable mineral deposits and lands embraced within a prospecting permit which are not subject to preferential lease shall be leased by competitive bidding to the highest responsible bidder in the manner provided by this section.

Such lands shall be offered for lease upon the request of any person who is qualified to be a lessee. The request shall sufficiently describe the lands requested to be offered for lease, and the request may include any number of acres, not in excess of 80 acres.

The requestor shall deposit with his request the sum of \$50.00 to cover the cost of advertising for bids. The successful bidder or bidders shall be charged the cost of such advertising, and if the requestor is not the successful bidder, or the successful bidder for all the parcels if more than one parcel is leased, his deposit or a proportionate share thereof shall be returned to him.

Upon the receipt of such a request, the commission shall divide the lands into parcels of such size and shape as it may determine, as provided by law. It shall prepare a form of lease for such parcels, containing the provisions required therein by law and such additional provisions as it deems desirable or necessary. It shall also determine the amount to be deposited by each bidder as security for the execution of the lease.

Within sixty days after receipt of such a request, the commission shall cause notice to be published of intention to offer the lands described in the request for lease. The notice shall be published at least once in a newspaper of general circulation published in the county in which the lands are situated (and at least once in a newspaper of general circulation published in the city of Los Angeles or San Francisco). The notice shall sufficiently describe the parcel or parcels to be offered for lease so that they may be identified and shall state the time for receiving and opening of bids and that forms for bidding (which shall be in the form of a lease) may be obtained at the office of the commission.

The notice shall also state the amount required to be deposited by each bidder as security for the execution of a lease as provided by his bid.

At the time and place specified in the notice the commission shall publicly open the sealed bids and shall award the lease for each parcel to the highest qualified bidder, unless in the opinion of the commission, the acceptance of the highest bid for any parcel or parcels is not for the best interests of the state, in which event the commission may reject the bids for such parcel or parcels. Thereupon new bids may be called for, for such parcels, or the commission may by resolution refuse to call for new bids therefor until a new request is made and a new deposit to cover cost of advertising is deposited with the commission.

Upon the awarding of a lease, the successful bidder shall, within fifteen days thereafter, execute a copy thereof and deliver it to the commission, and shall thereupon pay to the commission the annual rental for the first year as

required by the lease and shall also pay the cost of advertising for bids for such lease, or his proportionate share of such cost. The lessee shall also deposit with the commission a good and sufficient corporate surety bond in the sum of one thousand dollars, conditioned upon the faithful performance by the lessee of all the terms and conditions of the lease. Thereupon, a copy of such lease, executed by the commission, shall be delivered to him.

13. On or before the 15th day of each month, each permittee and each lessee shall deliver to the commission a statement in such form as the commission may prescribe, showing the work performed upon the area described in the permit or lease, the amount, quality, and value of all mineral produced, shipped or sold during the preceding calendar month. The commission may permit longer intervals for such reports and longer periods to be covered thereby for any lessee or permittee, but such permission shall be granted only in writing and may be revoked or changed at any time upon notice to the permittee or lessee.

14. Any member of the commission or representative of the commission shall be permitted free access to all parts of the property of any permittee or lessee when in the performance of duties required by the commission, and may at any time inspect any and all books, records, and accounts of any permittee or lessee.

Mr. Riley put resolution as follows:

BE IT RESOLVED That the foregoing rules and regulations governing the issuance of prospecting permits and leases for minerals other than oil and gas be adopted as submitted.

The roll was called and the resolution adopted by the following vote:

Ayes - A. E. Stockburger
Harry B. Riley

Noes - None

James Beebe, E. O. Green and Col. Chas. T. Leeds, appeared before the Commission upon behalf of the Oxnard Harbor District, to obtain an extension of the time from January 23, 1939, to and including June 30, 1939, within which to commence construction of two groins at Hueneme, California, pursuant to approval of plans. Mr. Riley put resolution as follows:

BE IT RESOLVED That the time within which construction shall be commenced pursuant to approval of plans dated June 11, 1934, for construction of two groins at Hueneme, California, by Oxnard Harbor District, a public corporation, is hereby extended from January 23, 1939, to and including June 30, 1939.

The roll was called and the resolution was adopted by the following vote:

Ayes -- A. E. Stockburger
Harry B. Riley

Noes -- None

There being no further business to come before the Commission,
the meeting was adjourned.