

A meeting of the State Lands Commission was held in Room 302, State Building, Los Angeles, September 8, 1943, at 10:30 A. M.

Present Hon. John F. Hassler, Chairman
 Hon. Frederick F. Houser
 Hon. Harry B. Riley

Absent None

1. The minutes of the meeting of the State Lands Commission held in Sacramento, August 25, 1943 were unanimously approved and confirmed.
2. (Easement 275, Well No. 16.) Upon motion duly made and unanimously carried, a resolution was adopted giving approval to the proposal of the Wilshire Oil Company to redrill their Wilshire No. 275-16 Well to the Jones Zone; subject to the rules and regulations of the Commission and further subject to the provision that Wilshire Oil Company shall file an indemnity bond with the State in the amount of \$25,000., and further subject to the filing by the Wilshire Oil Company of a bond in the amount of \$50,000., in order to protect the adjoining H. R. Hamilton, Reading Oil Company No. 276 Well. It was brought to the attention of the Commission that the Wilshire Oil Company has agreed to amend their lease to provide for a minimum royalty to the State of not less than 16 2/3 per cent of the production from this 275 - 16 Well.
3. (Easement No. 319, Babbitt No. 1 Well.) Upon motion duly made and unanimously carried, a resolution was adopted wherein the Beloil Corporation, Ltd. was granted approval of their proposal to deepen their Babbitt No. 1 Well subject to the rules and regulations of the Commission, and provided that Beloil Corporation, Ltd. file with the State an indemnity bond in the amount of \$25,000. The Commission was informed that Beloil Corporation had agreed, on a basis of mutual consent, to an upward royalty revision of the royalty schedule under which they make payments to the State on production from this Babbitt No. 1 Well. The royalty revision is to be a substitution of the new royalty form for the old form, formerly attached to this easement. The new royalty provision provides for a factor of 1.0 which will guarantee to the State, a minimum of not less than 12½ per cent of the oil produced from this well.
4. (State Oil and Gas Lease No. 93.) Upon motion duly made and unanimously carried, a resolution was adopted wherein the Commission approved the assignment of State Oil and Gas Lease No. 93 (located at Elwood) from Caroline C. Spalding to George F. Getty, Inc. The approval of this assignment was granted subject to the express provision that the assignor, Caroline C. Spalding, shall not be relieved of any liability or responsibility which she assumed as lessee, and with the further provision that none of the conditions, terms, covenants or agreements, etc. contained within State Oil and Gas Lease No. 93 shall be affected.
5. (Temblor Area - Kern County.) After a full discussion, upon motion duly made and unanimously carried, a resolution was adopted instructing the Executive Officer, to endeavor to arrange a conference between Robert Underhill, Secretary and Treasurer of the Board of Regents of the University of California, Mr. T. F. Rico, of the Richfield Oil Corporation and himself in order to determine the possibility of working out a mutually satisfactory agreement whereby the Board of Regents of the University of California might join with the State

Lands Commission in connection with the proposal of Richfield Oil Company to lease certain possible oil-producing lands under the jurisdiction of the Board of Regents and the State Lands Commission in San Luis Obispo County.

6. (James O. Fite - Grazing Application.) The Commission was informed that an application had been received from James O. Fite requesting the Commission to advertise 360 acres of grazing land in Section 36, T. 5 S., R. 1 W., S.B.M., in Riverside County. Mr. Fite has offered a minimum of 20 cents per acre per year as rental for a five year grazing lease. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to advertise this land for bids and to report back to the Commission for their subsequent action upon all bids received.

7. (Ed Fulstone - Grazing Application.) The Commission was informed that Ed Fulstone, et al., has made application for a new lease to succeed his lease which expired July 16, 1943, and has offered a minimum of 20 cents per acre per year for a five year lease on 400 acres of land in Section 16, T. 9 N., R. 22 E., M.D.M., Mono County. It was brought to the attention of the Commission that certain land contiguous to the area which Mr. Fulstone desires to lease carries an assessed valuation of \$4.00 per acre. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to advertise this land for bids, and to report back to the Commission for their subsequent action on bids received.

8. Corte Madera Lease No. 37, P.R.C.) The Commission was informed that a lease for an ark site at Corte Madera, which was issued to Henry C. Will, is in default, in that the quarter rental due July 1, 1943, in the amount of \$9.00 has been delinquent for a period of more than thirty days. Upon motion duly made and unanimously carried, a resolution was adopted authorizing the cancellation of this lease.

9. (Guadalupe Canal - Alden Ames, Esq., etc.) The Commission was informed by the Executive Officer that a communication had been received from Alden Ames, Esq., which was dated September 6, 1943, informing the Commission that Mr. Ames' client did not desire to enter into a lease for the Guadalupe Canal area on any basis other than a purely nominal rental, and that Mr. Ames was therefore, informing Deputy Attorney General Jack Hassler, Jr., of the circumstances, and making a request that the State Lands Commission file an answer to the Petition for a Writ of Mandamus which Mr. Ames had previously filed on behalf of his client, in an effort to compel the Commission to sell the land involved to his client.

10. (Bank of America - Lease No. 8, P.R.C.) The Commission was informed that the Executive Officer had further investigated the matter of the Grangers' Warehouse problem which had been presented to the Commission by Mr. C. P. Anderson, Vice President of the Capital Company at the Commission meeting held on August 25, 1943 at Sacramento. The Commission was further informed by the Executive Officer that an analysis of the adjudication decree in connection with the boundary dispute between the State and the predecessors in interest of the Capital Company, established clearly that the State's contention of ownership of approximately 90 per cent of the area now occupied by the building was sustained. The Executive Officer, further informed the Commission, that a conference had been arranged between the Capital Company and the Executive Officer for the purpose of working out a solution to this problem.

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