

8. (Tide and Submerged Land Occupancy Permit - Application - United States Maritime Commission - Suisun Bay, No. P.R.C. 252) Upon motion duly made and unanimously carried, a resolution was adopted confirming the conditional permission heretofore granted to the United States Maritime Commission for occupancy of certain tide and submerged lands in Suisun Bay, and authorizing the issuance of a renewable permit for the construction and maintenance of a pile supported walkway for an initial term of five years but in any event the term to run co-extensively with the maintenance of the Reserve Fleet at Anchorage 26, Suisun Bay. Said permit is to be issued to this public body at no cost.

9. (Application for Pipe Line Right of Way Across Sacramento River in Contra Costa and Solano Counties - Pacific Public Service Company - No. P.R.C. 240) Messrs. Schroeder, Selfridge, Caposelli and Fisher, representing the Standard Oil Company of California, and Mr. Horton, representing Pacific Public Service Company, appeared before the Commission to present the initial terms and conditions under which Standard Oil Company of California was willing to enter into a compensatory royalty agreement with the State of California for compensation to the State for such gas as may be drained from the State lands in the Kirby Hills Gas Field, the agreement being:

1. Standard Oil Company of California to pay to the State of California for gas drained from the State lands in the Kirby Hills Gas Field a royalty ranging from a minimum of $16 \frac{2}{3}$ per cent to a maximum of $33 \frac{1}{3}$ per cent, with the intermediate rates to be determined at one per cent of the average daily production, expressed in mcf. of the wells which may produce the subject gas.

2. Standard Oil Company to furnish to the State engineering determinations as to the portion of the producible field and the total producible gas which underlies State lands, and in the event of a disagreement with the State upon such findings, to agree to the evaluation by an independent expert to be selected as mutually satisfactory to both the Standard Oil Company and the State.

After a full discussion during which the Commission countered Standard's offer of a maximum royalty of $33 \frac{1}{3}$ per cent with a proposal that the compensatory agreement should provide for a maximum royalty of 40 per cent, and after advice by Standard that this proposal was not acceptable to them, the Commission, thereupon, upon motion duly made and unanimously carried, adopted a resolution providing that if the Standard Oil Company would increase under Item 1 above, the maximum royalty to 37 per cent, the Acting Executive Officer was authorized to issue a right of way easement agreement to the Pacific Public Service Company for a term of fifteen years for an area of tide and submerged lands 100 feet wide and 4300 feet long across the Sacramento River from Contra Costa County near Port Chicago to Solano County adjacent to Chippis Island. The annual rental for said easement to be \$126.00 in accordance with the uniform rental policy of the Commission, and the issuance of the easement to be subject to the filing of a \$5,000. corporate surety bond by Pacific Public Service Company to guarantee performance and the removal of any structures at the termination of the easement.