

At the present time the maintenance of this warehouse is costing the State approximately \$4,000.00 annually for the watchman and preventative measures against fire and trespass and the maintenance of navigation warning lights. The only revenue to the State this past year has been from damages to the structure by a boat running into the warehouse, in an amount of \$1,000.00.

In view of the fact that the State has been unable to lease the property or to sell it pursuant to notice of intention to receive bids, upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer with the approval of the Director of Finance to negotiate a sales contract with the Cal "A" Lumber Company for the sale of the building and appurtenances for the amount of \$50.00. The sales contract to provide for the complete removal of the building and appurtenances and to require the filing of a satisfactory surety and indemnity bond to guarantee complete removal of the warehouse, pile foundation, and appurtenances.

11. (Request for Deferment of Drilling Requirements - Hamilton and Sherman, et al. - Huntington Beach - Oil and Gas Lease No. P.R.C. 91) The Commission was informed that a request has been received from H. R. Hamilton, et al., lessees under State Oil and Gas Lease No. P.R.C. 91, Huntington Beach, for an extension of the deferment of further drilling requirements under Oil and Gas Lease No. P.R.C. 91, as granted by the Commission on November 17, 1947 for the period ending February 15, 1948. The proposed deferment would be subject to the right of the State at any time to serve notice upon the lessees to either resume development or quitclaim the undeveloped areas of the lease as provided for in the subject lease.

On June 28, 1947, the Commission approved the procedure of deferring any current drilling requirements under the terms of any State oil and gas lease, upon the request of the lessee, until such time as the status and equity of such requirement has been clarified.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to grant a deferment of any further drilling requirements as stated in Oil and Gas Lease No. P.R.C. 91, as modified, for a period of ninety days from February 15, 1948. The grant of the deferment is to be subject to the right of the State at any time to serve notice upon the lessee to either resume development under the lease or to quitclaim all undeveloped areas.

12. (Sale of Vacant School Land, Application No. 10394, Los Angeles Land District, of C. E. Sherman, and Application No. 10404, Los Angeles Land District, of Harold Ladd Pierce-Ventura County) The Commission was informed that an offer has been received from Mr. C. E. Sherman of North Hollywood, California, to purchase the $S\frac{1}{2}$ of $NE\frac{1}{4}$ of Section 36, T. 4 N., R. 19 W., S.B.M., containing 80 acres in Ventura County. Mr. Sherman has made an offer of \$160.00 or \$2.00 per acre. Mr. Harold Ladd Pierce bid \$240.00 or \$3.00 per acre. An appraisal by the Commission's staff indicates