

A meeting of the State Lands Commission was held in Room 301 State Building, Los Angeles, on May 27, 1948, at 2 o'clock P.M.

Present: Honorable James S. Dean, Chairman
Honorable Goodwin J. Knight, Member

Absent: Honorable Thomas H. Kuchel, Member

1. Upon motion duly made and unanimously carried, the minutes of the meeting of the State Lands Commission held in Los Angeles on April 14, 1948, were approved and confirmed as submitted.
2. Upon motion duly made and unanimously carried, it was decided to defer setting of a date for the next Commission meeting.
3. (Compensatory Royalty Agreement - Sacramento River, Sutter and Colusa Counties - Honolulu Oil Corporation - W. O. 218) The Commission was informed that on January 9, 1948, the Executive Officer was authorized to negotiate a compensatory royalty agreement with the Honolulu Oil Corporation covering State submerged land in the Sacramento River in the Meridian-Sycamore area of Sutter and Colusa Counties. An exploratory well drilled by the Honolulu Oil Corporation on adjoining upland was completed as a dry hole and abandoned as of February 6, 1948. A request has been received from the Honolulu Oil Corporation in view of the abandonment of the entire project that further negotiations be discontinued.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the termination of any further negotiations with the Honolulu Oil Corporation with respect to any compensatory royalty agreement on State submerged land of the Sacramento River in the Meridian-Sycamore area of Colusa and Sutter Counties.

4. (Application for Oil and Gas Lease - San Luis Obispo County - Mr. James T. Potter - W. O. 275) The Commission was informed that an application has been received from Mr. James T. Potter for an oil and gas lease on vacant State school land on the $N\frac{1}{2}$ of $NW\frac{1}{4}$, $SW\frac{1}{4}$ of $NW\frac{1}{4}$ and $S\frac{1}{2}$ of Section 16, T. 11 N., R. 27 W., S.B.B. & M. containing 440 acres in San Luis Obispo County. Field reconnaissance by the Commission's staff has shown that the subject land lies approximately 4 miles northeast of the discovery and only productive well in the Cuyama Valley, Norris Oil Company Well Cuyama 2. The geologic features of the State land are so different from those of the location of the oil production in Cuyama Valley that no definite inferences as to the productive possibility of the vacant State land can be drawn at this time.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the rejection of the application of Mr. James T. Potter for an oil and gas lease on the $N\frac{1}{2}$ of $NW\frac{1}{4}$, $SW\frac{1}{4}$ of $NW\frac{1}{4}$, and $S\frac{1}{2}$ of Section 16, T. 11 N., R. 27 W., S.B.B. & M., for the following reasons: