

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:

1. No showing can be made at the present time that the subject lands probably contain commercially valuable deposits of oil or gas. (Section 6852, Public Resources Code)
 2. Subject lands are not being drained and therefore no lease is required to protect the State's interest.
 3. It does not appear that it is for the best interests of the State to lease such lands for the production of oil and gas at this time, inasmuch as the inordinate cost of development because of the topography and the limited area of State land available would result in undesirably small participation by the State in any proceeds.
5. (Agreement for Easement No. 415 - Standard Oil Company of California - Rio Vista) The Commission was informed that Revisions 26 through 33 (Pool Basis) to the State's allotment of lands under Agreement for Easement No. 415, as submitted for approval in accordance with said Agreement for Easement by the Standard Oil Company of California, have been reviewed. Of these revisions, only Nos. 27, 30, 31 and 33 affect the estimated productive area of State lands by reason of the adjustment of the productive limits of the Rio Vista Gas Field through the development of new wells. These revisions are given in the following tabulation:

Percentage Allotment of Productive Area to State Lands

POOL	REVISION 25 (Approved 12-1-47)	REVISION 27	REVISION 30	REVISION 31	REVISION 33
East Emigh	0.5050	0.5050	0.5050	0.5140	0.5140
West Emigh	10.7847	10.6283	10.6283	10.6740	10.6796
West Hamilton	13.2847	12.7836	12.7703	12.7703	12.7703
East Midland	0.8860	0.8860	0.8860	0.8860	0.8860
Anderson A-6	0	0	0	0	0
Effective Date	8/1/47	1/6/48	1/29/48	2/1/48	3/3/48

The completion of wells under revisions Nos. 26, 28 and 29 does not constitute a development under the provisions of Exhibit A, as amended, of Agreement for Easement No. 415 and therefore, no modification approval is required for these actions. These latter revisions do, however, alter the inter-pool relationship of the portion of the total field gas outlet to be supplied by each of the five pools in the field. The computations have been found to be correct and the revisions are reasonable as shown by all data currently available relative to the productive limits of the recognized pools.

Upon motion duly made and unanimously carried, a resolution was adopted approving revisions 27, 30, 31 and 33 (Pool basis) to Exhibit "A" of Agreement for Easement No. 415, Rio Vista, as submitted by the lessee.