

40. (Sale of Vacant School Land, Application No. 4644, Sacramento Land District, Mendocino County - Quirl W. Myers) Upon motion duly made and unanimously carried a resolution was adopted authorizing the sale of the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  and N $\frac{1}{2}$  of SE $\frac{1}{4}$  of Section 16, T. 21 N., R. 14 W., M.D.M., consisting of 120 acres in Mendocino County for \$240.00 to Mr. Myers who was the high bidder pursuant to the advertising. The land is to be sold subject to all statutory reservations including minerals.

41. (Sale of Vacant School Land, Application No. 10408, Los Angeles Land District, Ventura County - Harold L. Pierce) The Commission was informed that on May 27, 1948, Item 25, Page 855, the Commission rejected the single bid received from Mr. H. L. Pierce for Lots 9, 10, 11 and 12 of Section 16, T. 4 N., R. 20 W., S.B.B. & M., containing 152.90 acres in Ventura County for the reason that on the basis of a staff report the land may have potential oil value. Mr. Pierce has protested the rejection of the bid on the ground that the land does not have immediate potential oil value and that he incurred costs in evaluating the land prior to making his application for purchase. The basis for such objection by Mr. Pierce is also amplified by reason of the fact that a previous informal letter application to purchase the S $\frac{1}{2}$  of the NE $\frac{1}{4}$  of Section 36, T. 4 N., R. 19 W., S.B.M., containing 80 acres in Ventura County. (Application 10404, L.A.) was not accorded priority recognition with the result that the area was sold subsequently to the first formal applicant.

Review of the productive potentialities of Lots 9, 10, 11 and 12 of Section 16, T. 4 N., R. 20 W., S.B.B. & M., has shown that the area lies east of the Timber Canyon oil field, south of an extensive block of prospecting leases held by the Richfield Oil Company, including a federal oil and gas lease on the N $\frac{1}{2}$  of Section 16, assigned to Richfield Oil Company by Wayne Lowell, that on the basis of age and nature of the geologic formations, production is possible and that an exploratory drilling program on adjoining land is under contemplation by at least one major oil company.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the following action by the Executive Officer:

1. Withdraw Lots 9, 10, 11 and 12 of Section 16, T. 4 N., R. 20 W., S.B.B. & M., containing 152.90 acres in Ventura County from the vacant State school land list, and defer the disposition of the area pending further development on adjoining land and evaluation of the productive potentialities of the State land.
2. Upon determination that the subject lands probably contain commercially valuable deposits of oil or gas, offer the lands for lease in accordance with the Public Resources Code and the established rules and regulations, or
3. Upon determination that the subject lands probably do not have productive potentiality for oil or gas, relist the subject area as vacant State school land for sale and accept an application from Mr. H. L. Pierce, to purchase the land if he so desires, at such time, as the first applicant.