

4. (Request for authority to lease for oil and gas seaward of the Signal Oil and Gas Company lease at Huntington Beach - Lease No. P.R.C. 163) The Commission was informed that a letter has been received from the Signal Oil and Gas Company inviting the Commission's attention to their belief that commercial oil production can be obtained seaward of the present boundary of the lease which is one mile offshore from the ordinary high water mark at Huntington Beach and requesting that the Commission ask for bids for a lease of such seaward extension of the Huntington Beach Field.

The Commission was informed that under Section 3 of the stipulation in the case of U. S. v. California, No. 12 Original, dated July 26, 1947, and extended by the stipulation of July 29, 1948, between the Attorney General of California, the State with advance approval of the Secretary of Interior shall "call for bids for, and, to the extent permissible under State law, enter into, new leases in cases where it is necessary to do so in order to prevent drainage of oil or gas from tide or submerged lands by wells drilled in other lands, or to protect the respective interests of the parties hereto."

Insofar as the submerged lands immediately seaward of the one mile outer boundary of existing Lease No. P.R.C. 163 are concerned, there is undoubtedly drainage and withdrawal of pressure by existing wells that will adversely affect the ultimate recovery of oil from the unleased area. The shoreward portion of the unleased area can be reached from wells drilled on the upland. Another reason for issuance of a lease is the increasing need for oil in California.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to submit a request in accordance with the stipulations and with supporting technical data to the Department of Interior for approval of a notice to receive bids on an area of submerged land for a distance of one mile seaward of Lease No. P.R.C. 163 at Huntington Beach, and further upon receipt of such approval to advertise the area for bids for lease, subject to the reserved right on part of the Commission to reject any and all bids.

5. (Agreement for Easement No. 415, Standard Oil Company, Rio Vista) The Commission was informed that the Standard Oil Company of California, lessee of the State's land in the Rio Vista Gas Field under Agreement for Easement No. 415, has submitted for approval in accordance with said Agreement for Easement, Revision 35 to the State's allotment of productive land. A revision of the estimated productive limits of both the East Emigh and East Midland pools is based upon data obtained by the completion of Well "Maria" No. 1 and had been reviewed by the Commission's staff. Comparison of the proposed-revised allotment to State lands and the data through the 34th Revision is as follows:

<u>Pool</u>	<u>Total Participating Area (Acres)</u>	<u>Estimated Productive Area of State Lands (Acres)</u>	<u>Allotment to State Lands (35th Revision)</u>	<u>Allotment to State Lands (34th Revision)</u>
East Emigh	2936.83	15.07	0.5131%	0.5131%
West Emigh	17281.03	1845.55	10.6796	10.6796
East Midland	4767.88	42.43	0.8899	0.8839
West Hamilton	9496.53	1212.74	12.7703	12.7703
Anderson A-6	156.46	0	0	0

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve Revision 35 to the State's Allotment of productive land as presented by the Standard Oil Company of California pursuant to Agreement for Easement No. 415.

6. (Approval of Extension of Gas Sales Contract - Signal Oil and Gas Company Lease, P.R.C. 129 - Elwood) The Commission was informed that the Signal Oil and Gas Company, lessee of tide and submerged lands at Elwood under Lease No. P.R.C. 129, has submitted for approval an extension of the gas sales contract between the Signal Oil and Gas Company and the Southern Counties Gas Company as provided for by Section 2 of Lease P.R.C. 129. The proposed extension provides for the sale of gas from Lease P.R.C. 129 to the Southern Counties Gas Company during the period beginning August 1, 1948 and ending July 1, 1950 at \$.11 per M.C.F. plus a compression charge of \$.02 per M.C.F.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the extension of the Gas Sales Contract of July 19, 1948 by and between the Signal Oil and Gas Company and the Southern Counties Gas Company during the period August 1, 1948 to July 1, 1950 whereunder gas from the lease P.R.C. 129 is to be sold at a price of \$.11 per M.C.F. plus a compression charge of \$.02 per M.C.F. subject to the condition that the approval is not to be considered in any manner modifying the right of the State at its option to take its wet or dry royalty gas, natural gasoline and any other product in kind.

7. (Approval of Extension of Gas Sales Contract - Signal Oil and Gas Company Lease, P.R.C. 163, Huntington Beach) The Commission was informed that the Signal Oil and Gas Company, lessee of tide and submerged lands at Huntington Beach under Lease P.R.C. 163 has submitted for approval an extension of a gas sales contract between the Signal Oil and Gas Company and the Pacific Lighting Corporation as provided for in Section 2 of Lease P.R.C. 163. The contract extension provides for the sale of all gas produced on lease P.R.C. 163 to the Pacific Lighting Corporation for the period August 1, 1948 to November 1, 1950 at a price of \$.13 per M.C.F.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the extension of the Gas Sales Contract of July 16, 1948, by and between the Signal Oil and Gas Company and the Pacific Lighting Corporation during the period August 1, 1948 to November 1, 1950 whereunder gas from Lease P.R.C. 163 is to be sold at a price of \$.13 per M.C.F., subject to the condition that the approval is not to be considered in any manner modifying the right of the State at its option to take its wet or dry royalty gas, natural gasoline and any other products in kind.

3. (Request for deferment of drilling requirements - Honolulu-Signal-Macco Lease P.R.C. 308, Coal Oil Point Area - Santa Barbara County) The Commission was informed that on June 25, 1948, Minute Page 868, Item 26, the Commission authorized the deferment of drilling and operating requirements under Oil and Gas Lease P.R.C. 308 for a period of 90 days until October 15, 1948 within which time to analyze developments and to plan the future operations on the subject lease. A request has again been received from the Honolulu Oil Corporation as the operator of Lease P.R.C. No. 308 for an extension of the deferment of the drilling and operating requirements for an additional period of 90 days in order to take advantage of the development under Lease P.R.C. 308 in planning the future operations on the lease.