

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.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to grant Honolulu-Signal-Macco, lessees under State Oil and Gas Lease No. P.R.C. 308, a deferment of drilling and operating requirements for a period of 90 days until February 14, 1949, within which time to analyze current developments and to plan the future operations on the subject lease.

9. (Compensatory Royalty Agreement - Thornton Gas Field, Amerada Petroleum Corporation, W. O. 325) The Commission was informed that operation of natural gas wells is being conducted in the Thornton Gas Field, Sacramento and San Joaquin Counties by the Amerada Petroleum Corporation upon behalf of itself, The Benkline Oil Company, and the Capital Company. The Thornton Gas Field is traversed by the Mokelumne River, a navigable stream under the jurisdiction of the State Lands Commission, and the area of the bed of the river within the productive limits of the gas field is estimated at approximately 1% of the total productive area, consisting of approximately 46 acres of State land.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to negotiate a compensatory royalty agreement with the Amerada Petroleum Corporation covering State lands in the Thornton Gas Field in Sacramento and San Joaquin Counties on the following minimum bases: 1. 12 $\frac{1}{2}$ % royalty on the value of all products attributable to State lands. 2. State's participation in total production to be in the ratio that the area of productive State land bears to the total productive area. 3. Current payment for royalty on basis of proportions available from geologic data with provisions for final adjustment of total royalty payments based on data of completed field development. 4. Royalty payments to be retroactive to initiation of production and shipment of gas from the field. 5. Draft of negotiated agreement to be presented to the Commission for consideration and approval.

10. (Probable Oil Drainage, Tide and Submerged Lands, Guadalupe Area, San Luis Obispo County, W. O. 296) The Commission was informed that the Continental Oil Company has completed and is operating an oil well known as "Sand Dune LeRoy" No. 2 in the Guadalupe Area, San Luis Obispo County, approximately 400 feet inland of the ordinary high water mark of the Pacific Ocean. Locations for additional wells at similar distances from the tidelands have also been selected for further drilling. Review of these operations and all available geological information has shown that the tide and submerged lands "may be or are being drained by means of wells upon adjacent lands," within the specification of Section 6872 of the Public Resources Code. Such condition results in "the Commission shall thereupon be authorized and empowered to lease any such lands."

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to publish a notice of intention to receive bids for an oil and gas lease on an area of State tide and submerged land one mile in width extending northerly from the southwest quarter of Lot No. 162 Rancho Guadalupe (immediately south of the mouth of the Santa Maria River in Santa Barbara County) and one mile into the Pacific Ocean from the ordinary high water mark, subject to the advance approval of the Department of Interior to such notice of intention to lease, pursuant to the terms of the stipulation entered into between the Attorney General of the United States and the Attorney General of California relating to continued operations on tide and submerged lands.