

53. (Installation Public Lands Record System - S. D.) The Commission was informed that due to a time limitation in the original agreement, and exhaustion of original allotments made available to Remington Rand, Inc., by contract, for the installation of the Public Lands Record System in the Sacramento office of the Division, it was found necessary in January 1949 to draw a new agreement with the company, providing additional funds to continue the project. This agreement No. LC-240 dated January 25, 1949 and providing \$11,700 for the continuance of the work, was drawn for the signature of Mr. James S. Dean, Chairman of the Commission, thus providing tentative Commission approval for entering into this additional contract. On the basis of work performed, the estimated completion date of this project now is February 1, 1950.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Commission to approve the award of a new contract to Remington Rand, Inc., in the amount of \$11,700.00, providing funds to continue the project of installation of the public lands record system by ratifying the action of the Chairman in executing that agreement LC-240 dated January 25, 1949, between the State of California and Remington Rand Inc.

54. (Renewal Lease for Office Space, Rio Vista, California - S. D.) The Commission was informed that the Division of State Lands has been renting, as office space, the westerly portion of premises at 512 South Fourth Street, Rio Vista, under a year to year lease agreement with J. P. Mortensen. Mr. Mortensen advises that he would consider renewal of the agreement at the rate of \$20.00 monthly, and agreed at this rate to pipe gas into the quarters for hearing purposes.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to enter into a lease agreement with J. P. Mortensen for the rental of the westerly portion of premises at 512 South Fourth Street, Rio Vista, California, said agreement to be for a period of five years at a rental of \$20.00 per month paid in arrears, the total rental payable under this agreement being \$1,200.00. The lease agreement shall be on the standard prescribed State lease form, provide for cancellation by the State on thirty days notice, and be extended by exercise of option by the State for an additional year and be subject to the approval of the Department of Finance.

55. (Possible Legislation with Respect to Public Resources Code and Oil and Gas Leases on Tide and Submerged Land Oil) The Commission was informed that Section 6827 provides that any oil and gas lease awarded to the highest bidder "shall be for a term of 20 years, but such term may be thereafter extended upon such terms and conditions and for such periods of time as the Commission deems for the best interest of the State or as the Legislature might provide". It has been suggested that the word "thereafter" be removed from the Code. This suggestion is made for the reason that because of the uncertainty caused by the tideland litigation, oil operators under State leases have not prosecuted full development because of the risk involved. The operators feel that the Commission should be in a position to grant extensions to the leases at any time before their expiration whereas under one reading of the above quoted provisions it appears that such extensions are not possible until after the 20 year term has expired.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the initiation of legislation to effectuate the removal of the word "thereafter" from Section 6827 of the Public Resources Code.

The Commission was also informed that Section 6873 provides that wells shall be built "only upon filled lands or shall be slant drilled from an upland or littoral drill site to enter into the subsurface of the tide and submerged lands covered by the lease". It has been suggested that the Code be modified so as to permit the drilling of oil wells from structures to be built a distance of a minimum of one mile from shore without the necessity of such structures being placed on filled lands.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the initiation of legislation permitting the drilling of oil wells from structures to be built a distance of a minimum of one mile from shore without the necessity of such structures being placed on filled lands.

The Commission was also informed that Section 6813 provides that "the Commission may enter into an agreement with any person, association of persons, corporation, city, or county, or any of them claiming the oil and gas in land adversely to the State of California." It has been suggested that in connection with the tideland litigation and Congressional Enactments it may be necessary for the State to enter into some agreement with the United States in order to clear up the tideland problem with the United States. In order that the Commission can effectuate such agreement with the United States it is suggested that the words "United States" be amended into the above quoted section.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the initiation of legislation to provide for the inclusion of the words "United States" in Section 6813 of the Public Resources Code.

Finally, the Commission was informed that Section 6834 of the Public Resources Code provides that a Notice shall contain "a description of the land." In the early days of offering lands for lease for bid it so happened that the area offered extended only one mile from shore. Subsequently, leases after improvement in the art of direction and drilling have been issued extending three miles from shore. At the present time in case of certain places where full development has been made to the seaward boundaries of the one mile lease, actual drainage is now taking place and because of the upland drill site situation, it will probably not be possible for the State to receive bids for areas seaward of existing leases. With this in mind, it has been suggested that amendments to the Code be proposed giving authority to the Commission for seaward extensions of existing leases without the necessity of putting the area out for bid and where such extension is in the interest of the State.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing such extension of leases under Section 6834 and other pertinent sections of the Public Resources Code.

56. (Defense of State's rights in tide and submerged lands - N-5092) The Commission was informed that information has been received in letter dated January 25, 1949, from Fred N. Howser, Attorney General and Chief of the Department of Justice, that