

sell the underwater lots. There is some question as to the authority of the City of San Francisco under Ordinance No. 2599 of December 29, 1892 to have closed the reserved streets. The Southern Pacific Company desires to lease an area of fee land together with the abandoned streets upon which their lessees would erect large warehouses. The first unit is to be of six stories with railroad and truck accommodations and is estimated to cost \$6,000,000.00. Tentatively, the Southern Pacific Company have indicated for the purpose of an early lease that they might agree to the State's claim of street ownership, irrespective of the condition that the streets were closed and that it has been in adverse possession of the street area for many years. An unofficial opinion of the Attorney General is to the effect that State lands cannot be adverse where there has been a dedication for a particular use, i. e., in this case for streets. Title Companies will not issue title policy on the streets without excepting the State's interest thereto.

The Commission was advised that three policy matters should be considered:

1. Is the City of San Francisco in full agreement as to the proposed development?
2. Should the Commission agree to a fifty year lease?
3. Should the Commission's policy of an annual rental based on 6 per cent of the appraised value be applicable?

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to negotiate a fifty year lease with the Southern Pacific Company on 6.98 acres of streets in the San Francisco area bounded by 5th, 6th, Channel and Indiana Streets, with right of sub-lease, at an annual rental of 6 per cent of the appraised value of the land involved and report back to the Commission the results of such negotiations for final action.

19. (Application for Extension of Term of Right of Way Easement P.R.C. 364, Owens Lake, Inyo County - The Permanente Metals Corporation - W.O. 543) The Commission was informed that an application has been received from the Permanente Metals Corporation for the exercise of the optional right by the lessees under Right of Way Easement No. P.R.C. 364, Owens Lake, Inyo County, for the renewal of the easement agreement for a period of one year. Right of Way Easement P.R.C. 364 was issued originally August 19, 1948 to cover the construction, maintenance and operation of pipelines in connection with the mineral extraction activities of the Permanente Metals Corporation on Owens Lake, the annual rental having been fixed in accordance with the established rules and regulations of the Commission at \$66.40. The statutory \$5.00 filing fee and a deposit of the annual rental in the amount of \$66.40, have been submitted by the applicant.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to renew Right of Way Easement P.R.C. No. 364 to the Permanente Metals Corporation for a term of one year from and after August 19, 1949, at an annual rental of \$66.40.

20. (Grazing Lease application No. P.R.C. 1203, Lassen County - J. L. Croshaw, Sac. W.O. 180) The Commission was informed that an application has been received from Mr. Croshaw of Red Bluff, California, for a grazing lease for a term of one year on Section 16, N $\frac{1}{2}$, SE $\frac{1}{4}$ and N $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 36, T. 36 N., R. 9 E., and Section 36, T. 36 N., R. 10 E., M.D.M., containing 1840 acres in Lassen County. The land has been advertised for lease and no other applications have been received. The Assessor of Lassen County advises that adjacent land is assessed at

\$4.50 to \$5.00 per acre; thus appraising the adjacent land at \$9.00 to \$10.00 per acre. The State land was appraised by a member of the staff at \$2.50 per acre. The applicant has offered 25¢ per acre for the one year's rental which is above the minimum of five per cent of the appraised value of the land, and is above the minimum rental acceptable to the Commission, based on staff appraisal of \$2.50 per acre.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing a one year grazing lease to be issued to Mr. Croshaw at an annual rental of twenty-five cents per acre and that the applicant be required to pay the one year's rental at the time of execution of the lease.

21. (Geophysical Exploration - Humble Oil and Refining Company - Santa Barbara County - W.O. 516) The Commission was informed that it had on July 26, 1949 (Minute Item 3, Page 980) deferred action on the application of the Humble Oil and Refining Company to conduct seismic geophysical exploration operations during the period August 1, 1949 to October 31, 1949 pending investigation, report and recommendation to the Commission on the establishment of detailed permit requirements for the conduct of geophysical exploration operations. A request has now been received from the applicant for the cancellation of said application and the substitution of an application for the conduct of exploration operations during the period February 1, 1950 to April 30, 1950. Presentation of this latter request is being withheld pending approval of the exploration period by the Fish and Game Commission.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to cancel the application of the Humble Oil and Refining Company for permission to conduct seismic geophysical exploration operations during the period August 1, 1949 to October 31, 1949, inclusive, on those tide and submerged lands under the jurisdiction of the State Lands Commission located between the City of Santa Barbara and Point Conception, Santa Barbara County.

22. (Extension of Oil and Gas Lease 92, Pacific Western Oil Corporation - Elwood Oil Field, Santa Barbara County - W.O. 529, P.R.C. 426) The Commission was informed that State Oil and Gas Lease No. 92, issued September 10, 1929 for an initial term of twenty years provides for an extension for an additional period of ten years under such terms and conditions as the State may determine at the time of renewal. It was proposed that the extension of Lease 92 be issued in the form presented, which is a modification of the current standard Public Resources Code lease. The proposed form of extension is acceptable to the Pacific Western Oil Corporation, Lessee under State Oil and Gas Lease 92.

The bases for extension of lease have been reviewed as to form by the office of the Attorney General. The estimated current average monthly increase in royalty to the State over that existing at 5 per cent which would accrue through the issuance of the proposed lease extension, in comparison with the original lease, would be \$750.00.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to execute and issue to the Pacific Western Oil Corporation a ten-year extension of State Oil and Gas Lease 92, Elwood Field, Santa Barbara County, in the form proposed herewith subject to notice to the Department of Interior and the provisions, if any, of the stipulation entered into between the Attorney General of the United States and the Attorney General of California dated July 26, 1947, as extended in 1948 and 1949.