

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to submit the facts and secure from the Attorney General a formal opinion as to the legality of cancellation of the modification of August 31, 1944.

16. (Proposed oil and gas lease, tide and submerged lands Guadalupe Area, San Luis Obispo and Santa Barbara Counties - W.O. 296) The Commission was informed that Notice of intention of the State Lands Commission to receive offers to enter into a lease for the extraction of oil and gas from tide and submerged lands of the State situate offshore from the Guadalupe area, San Luis Obispo and Santa Barbara counties, was published on November 7 and 14 in the San Luis Obispo Telegram and Tribune and copies of the notice were distributed to the industry and to all persons who had heretofore expressed an interest in obtaining State oil and gas leases, pursuant to the authorization of the Commission (Minute page 892, Item 10). No bids were received in response to the aforesaid Notice of Intention.

Lack of bidding appears to have resulted from the current poor market and prices for low gravity crude oil which it is anticipated would be produced from the area proposed to be leased and the fact that the present developer of adjoining uplands is desirous of disposing of the upland holdings because of the unsatisfactory economic conditions.

Upon motion duly made and unanimously carried, a resolution was adopted for Staff reviewal of all factors and recommendations as to any further action relative to leasing of the Guadalupe area.

17. (Assignment of lease interest, Lease P.R.C. 145, Fullerton Oil Company, Rincon Field, Ventura County) The Commission was informed that an application has been received from the Fullerton Oil Company on behalf of Fullerton Oil Company, BeOil Corporation Ltd., Neptune Corporation, and Sexton Corporation, lessees under State oil and gas lease P.R.C. 145, Rincon Oil Field, for approval of the purchase by said lessees of the $\frac{1}{3}$ interest of the Lido Petroleum Company, the remaining partial owner of the lease. The purchasers propose to acquire the undivided $\frac{1}{3}$ interest of the Lido Petroleum Company in the subject lease, and all property pertaining to operations thereunder, in the same proportion that the purchasers now hold undivided interests in the lease. It is proposed further that the Fullerton Oil Company will remain the operator of the lease, that there will be no other changes in the present method of operations, that the Lido Oil Company is to remain liable as to all obligations and liabilities arising out of or pertaining to lease operations and production prior to October 1, 1949, and that the purchasers will assume all obligations and liabilities under the lease or otherwise pertaining to or arising out of lease operations and production subsequent to September 30, 1949.

Section 4 of Lease P.R.C. 145 provides that the lease may be assigned, transferred or sub-let with the written consent of the State, but only to a person, association of persons, or corporation, who at the time of the proposed assignment, transfer or sub-lease, possesses the qualifications provided in Division 6 of the Public Resources Code. This latter requirement is met by the proposed assignees inasmuch as they are already qualified lessees of the State.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the proposed assignment as of October 1, 1949, of the undivided $\frac{1}{3}$ interest of the Lido Petroleum Company in Lease P.R.C. 145