

an offer has been received from Mr. Gilbert of Tulalake, California, to purchase the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 36, T. 42 N., R. 9 E., M.D.M., containing 40 acres in Modoc County; the offer amounting to \$202.00 or \$5.00 + per acre.

The Assessor of Modoc County has assessed contiguous land at \$2.00 per acre, thus indicating an appraised value of the land of \$4.00 per acre. The subject land is level, with a cover of sagebrush and is not suitable for agriculture without artificial irrigation. The soil is sandy of second quality; the land is accessible by an existing road. An appraisal by the Commission's staff indicates that the offer as made is adequate.

The land was advertised for sale with a stipulation that no offer of less than \$202.00 would be accepted. Mr. Gilbert bid \$202.00.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE OF THE NW $\frac{1}{4}$ OF NW $\frac{1}{4}$ OF SECTION 36, T. 42 N., R. 9 E., M.D.M., TO THE SINGLE BIDDER MR. GILBERT AT A CASH PRICE OF \$202.00, SUBJECT TO ALL STATUTORY RESERVATIONS, INCLUDING MINERALS.

21. (TERMINATION OF AGREEMENT FOR EASEMENT NO. 288 - HUNTINGTON BEACH) The Commission was informed that an Agreement for Easement No. 288 at Huntington Beach was issued March 1, 1934 to the M.A.B. Oil Company for an initial period of twenty years and assigned subsequently with the approval of the Commission on June 25, 1948 to the Progressive Oil Company. The agreement for easement covers the operation of one well and provides in part that the grantee shall "exercise reasonable diligence in the operation of said well while said production can be obtained in paying quantities, and not to unreasonably or unnecessarily suspend continuous operations except with the consent of the State". Section 15 of the easement agreement also provides that "it is hereby agreed by the parties hereto that this agreement may be terminated upon the mutual consent of the parties hereto." All royalties payable to the State from oil and gas produced from the well have been paid. The Progressive Oil Company has filed a notice of intention to abandon well "Golden Eagle" No. 8 under Agreement for Easement No. 288 and the proposed physical abandonment has been approved by the State Division of Oil and Gas. The well is mechanically inoperative and it is not felt that it could be redrilled economically.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO TERMINATE AGREEMENT FOR EASEMENT NO. 288, HUNTINGTON BEACH, UPON THE MUTUAL CONSENT OF THE PARTIES THERETO.

22. (TERMINATION OF AGREEMENT FOR EASEMENT NO. 326 HUNTINGTON BEACH) The Commission was informed that Agreement for Easement No. 326 Huntington Beach was issued originally March 1, 1934 to the Elyod Oil Corporation for an initial period of twenty years and subsequently assigned with the approval of the Commission to John H. Marion on August 30, 1940. The subject agreement covered the operation of one well and provides in part that the grantee shall "exercise reasonable diligence * * * * in the operation of said well while said products can be obtained in paying quantities, and not to unreasonably or unnecessarily suspend continuous operations except with the consent of the State * * * *". All royalties payable to the State from oil and gas produced from the well have been paid. Well "Honeyman No. 8" under Agreement for Easement No. 326 has been plugged and abandoned by Mr. John H. Marion and the physical abandonment of the well was approved by

the State Division of Oil and Gas on April 18, 1950. The well could not have been redrilled economically because of poor mechanical conditions in the original well and the proximity of other producing wells. Section 15 of the easement agreement also provides that "It is hereby agreed between the parties hereto that this agreement may be terminated * * * upon the mutual consent of the parties hereto."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO TERMINATE AGREEMENT FOR EASEMENT NO. 326 HUNTINGTON BEACH UPON THE MUTUAL CONSENT OF THE PARTIES THERETO.

23. (APPROVAL OF MANNER OF COMPLETION OF WELL "3-A" LEASE P.R.C. 91, HUNTINGTON BEACH) The Commission was informed that Lease P.R.C. 91 issued to the Huntington State Company for the drilling and operations of wells at Huntington Beach provides in part as follows:

"Exhibit A -

3. Unless the written consent of the State is first obtained by the lessee for other well locations, all wells drilled * * * shall be so located that the top of the productive portions * * * shall be seaward of the line marked "Drilling Unit Boundary" * * * *."

Developments in the redrilling of Well P.R.C. 91-3 pursuant to approval by the Division of State Lands, show that it would be mechanically and economically desirable to establish the top of the productive portion of the redrilled well 50 feet landward of the aforesaid drilling unit boundary. At such location the only other productive wells not under control of the drilling operator are 280 feet and 380 feet distant respectively. The regulatory minimum separation of the productive portions of wells as specified by the Commission is 200 ft. Therefore, to permit the completion of the redrilled well on a schedule involving minimum physical hazards, letter authorization was granted June 27, 1950, to the Huntington State Company for the completion of Well "3-A" with the top of the productive portion thereof located 50 feet landward of the drilling unit boundary, subject to confirmation of such authorization by the Commission pursuant to the terms of Lease P.R.C. 91. Authorizations have been granted heretofore for the completion of two other wells of the Huntington State Company landward of the drilling unit boundary at distances of 50 and 110 feet respectively.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED CONFIRMING THE AUTHORIZATION GRANTED TO THE HUNTINGTON STATE COMPANY ON JUNE 27, 1950 TO COMPLETE WELL P.R.C. 91-3A WITH THE TOP OF THE PRODUCTIVE PORTION THEREOF NOT MORE THAN 50 FT. LANDWARD OF THE DRILLING UNIT BOUNDARY AS DETAILED IN LEASE P.R.C. 91.

24. (LAND PURCHASE CONTRACT-VACANT SCHOOL LAND, IMPERIAL COUNTY, UNITED STATES BUREAU OF RECLAMATION - W.O. 186) The Commission was informed that there has been received from the Department of Interior, Bureau of Reclamation a Land Purchase Contract for acquisition by the United States of 19.12 acres of school land in NE $\frac{1}{4}$ of Section 36, T. 15 S., R. 18 E., S.B.M. Under this contract a price of \$12.00 per acre will be paid to the State.

On August 19, 1947, the Commission was advised that the United States Bureau of Reclamation had made application to purchase this land for a right of way for the