

BOARD OF CONTROL IN MATTER OF JOSEPH E. CLARK LEASE, MISSION BAY LEASES IN THE SUM OF \$475.00, AND THAT UPON RECEIPT OF SAME THIS ACCOUNT BE WRITTEN OFF THE RECORDS OF THE STATE LANDS COMMISSION.

11. (REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, HONOLULU-SIGNAL-MACCO, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 308) The Commission was informed as follows: On August 29, 1950, (Minute Page 1172, Item 17) the Commission authorized the deferment of drilling and operating requirements under Oil and Gas Lease P.R.C. 308 until October 26, 1950, within which time the lessee might complete analysis and correlation of the information acquired from previous exploration and plan for further exploration on the lease. A request has again been received from the Signal Oil and Gas Company upon behalf of the lessees for an additional extension of the deferment of the drilling and operating requirements for a period of 90 days. This request is based on a statement that the circumstances and facts which supported the previous request upon which the last effective deferment was granted are still existent and the lessees will require additional time in connection with the lease to formulate the plans for future exploration. Section 3 (b) of the Operating Stipulation between the United States and the State of California, effective October 1, 1950, provides in part that "No change in the provisions of any lease subject to this stipulation, nor acceptance of surrender, renewal, extension, or modification of any such lease, and no compromise or settlement of any controversy between the State and any lessee relating to any such lease, shall be made unless the State gives the Secretary of the Interior at least 45 days' notice thereof; and the Secretary shall have the power during said period to disapprove such action." In accordance with this provision a copy of the request of the Signal Oil and Gas Company for deferment of the drilling and operating requirements under Lease P.R.C. 308 was transmitted to the U. S. Oil and Gas Supervisor, as the designated representative of the Secretary of the Interior, for consideration. On November 3, 1950, the U. S. Oil and Gas Supervisor reported that no objection is offered to the deferment of drilling and operating requirements under the lease for a period of 90 days from October 26, 1950.

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 P.R.C. 308, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS FOR A PERIOD OF 90 DAYS FROM OCTOBER 26, 1950.

12. (REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, HONOLULU-SIGNAL-MACCO, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 309) The Commission was informed as follows: On August 29, 1950, (Minute Page 1172, Item 18) the Commission authorized the deferment of drilling and operating requirements under Oil and Gas Lease P.R.C. 309, until October 26, 1950 on the same bases as recommended for the adjoining Oil and Gas Lease P.R.C. 308. The Signal Oil and Gas Company on behalf of the lessees has requested an additional deferment of drilling and operating requirements for a period of 90 days based upon the same considerations detailed in the preceding calendar item. In accordance with the terms of the operating stipulation between the U. S. and the State, the U. S. Oil and Gas Supervisor has reported that no objection is offered to the deferment of drilling and operating requirement under Lease P.R.C. 309 for a period of 90 days from October 26, 1950.

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 P.R.C. 309, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS FOR A PERIOD OF 90 DAYS FROM OCTOBER 26, 1950, ON THE SAME BASES AS RECOMMENDED FOR LEASE P.R.C. 308 IN THE PRECEDING MINUTE ITEM.

13. (APPLICATION FOR GAS PIPE LINE RIGHT OF WAY, DOW CHEMICAL COMPANY, SAN JOAQUIN COUNTY, CONTRA COSTA COUNTIES - W.C. 380, P.R.C. 557) The Commission was

informed as follows: That on October 14, 1948, with respect to this application it took the following action.

"43. (Application for pipeline right of way. Dow Chemical Company - W.O. 380) The Commission was informed that the Dow Chemical Company has filed an application for construction of a 5" gas pipeline right of way across Three-Mile Slough, Jackson Slough and the San Joaquin River, in San Joaquin County. They have acquired certain wells on the borders of the Rio Vista Gas Field, from which wells they expect to extract sufficient gas for chemical plant operations at Pittsburg. In addition to the right of way easements, the State is concerned in protecting the gas withdrawals from this field wherein the State has approximately a 10% interest in the total gas in the field.

"Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue right of way 100 feet in width for gas line purposes to the Dow Chemical Company across Three-Mile Slough, Jackson Slough and San Joaquin River at an annual rental of \$40.00 plus 2¢ per lineal foot of the State land occupied, said right of way to be issued subject to the condition that the Dow Chemical Company agree with the State and with the joint operations in the field by State's lessee and others to produce from its wells in accordance with the ratable taking plan."

New gas developments have been made in the area but because of the necessity of getting rights of way across private land under lease to Rio Vista Field operators the Brazos Oil and Gas Company (subsidiary of Dow Chemical Company) have heretofore been unable to comply with the conditions in the above-quoted resolution. At this time other steps are being taken to satisfy the State and the required rights of way across private lands have now been promised.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO GRANT A FIFTEEN YEAR RIGHT OF WAY TO DOW CHEMICAL COMPANY 100 FEET IN WIDTH ACROSS THREE MILE SLOUGH, JACKSON SLOUGH AND SAN JOAQUIN RIVER, IN SAN JOAQUIN AND CONTRA COSTA COUNTIES, UPON WHICH TO CONSTRUCT A GAS PIPE LINE FROM THE RIO VISTA FIELD TO THE DOW CHEMICAL PLANT AT PITTSBURG, SUBJECT TO (1) THE ENTERING INTO OF AN AGREEMENT BETWEEN BRAZOS OIL AND GAS COMPANY, STANDARD OIL COMPANY, THE TEXAS COMPANY AND AMERADA PETROLEUM CORPORATION, OF A UNIT AGREEMENT SATISFACTORY TO THE STATE FOR OPERATION OF AN EXTENSION OF THE RIO VISTA FIELD, UNDER WHICH AGREEMENT AN EQUITABLE PROPORTIONING OF GAS FROM THE STATE LAND AND PRIVATE LANDS WILL BE ACCOMPLISHED, AND (2) THAT BRAZOS OIL AND GAS COMPANY PRODUCE GAS FROM ITS MARIA WELL NO. 1 AT A RATE IN ACCORDANCE WITH THE RATABLE TAKING PLAN IN EFFECT IN THE RIO VISTA FIELD, OR (3) ALTERNATIVELY, TO (2) ABOVE, THE BRAZOS OIL AND GAS COMPANY AGREES NOT TO TRANSPORT IN THIS PIPE LINE ON THIS RIGHT OF WAY ANY GAS FROM THE MARIA WELL NO. 1. THE RIGHT OF WAY AGREEMENT TO BE ISSUED IN ACCORDANCE WITH THE COMMISSION'S RENTAL POLICY OF \$40 PLUS 2¢ PER LINEAL FOOT PER YEAR AND THE AGREEMENT TO REQUIRE THE FILING OF A CORPORATE SURETY BOND OR EQUIVALENT IN AN AMOUNT OF \$3,000.00, THE DOW CHEMICAL COMPANY TO HAVE THE OPTION OF RENEWAL OF THE EASEMENT FOR TWO TEN YEAR PERIODS AT SUCH REASONABLE TERMS AND CONDITIONS AS SHALL BE DETERMINED BY THE STATE AT TIME OF RENEWAL.