

assignee. The subject agreements for easement were issued March 1, 1934, for an initial term of twenty years, and were assigned to Eagle Oil and Refining Company, Inc. on September 24, 1945. The agreements provide that there shall be no assignment, either in part or in whole, voluntarily or involuntarily, without the consent in writing of the State first had and obtained. Completion of the proposed assignment to permit continued operations of the respective wells will also require the approval of the Standard Oil Company of California, the Huntington Beach Company, the Pacific Electric Railway Company, and the Pacific Electric Land Company, insofar as the course of the wells operating under the respective agreements for easement traverse other lands not under jurisdiction of the State. The State, however, is not a party to any of these corollary right-of-way agreements.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF AGREEMENT FOR EASEMENT NO. 309 AND AGREEMENT FOR EASEMENT NO. 325, HUNTINGTON BEACH, FROM THE EAGLE OIL AND REFINING COMPANY, INC. TO THE SUNSET OIL COMPANY, A CALIFORNIA CORPORATION, UPON THE SUBMISSION BY THE SUNSET OIL COMPANY OF THE PERFORMANCE BONDS IN THE AMOUNT OF \$2,000.00 EACH AS REQUIRED BY SECTION 2 (6) OF THE RESPECTIVE AGREEMENTS FOR EASEMENT.

14. (AMENDMENT OF AGREEMENT 412 (CH. 5/1938), McDONALD GAS FIELD, STANDARD OIL COMPANY OF CALIFORNIA - W.O. 754.) The Commission was informed that Agreement 412, McDonald Gas Field, was authorized effective March 1, 1940, covering the payment of royalty to the State for that proportion of gas produced from the McDonald Gas Field that the State's lands in the field (the bed of Whiskey Slough, a formerly navigable arm of the San Joaquin River) bear to the total productive area of the field. Said agreement provides in part as follows: "Second Party hereby represents to first party that the red line on the map hereunto annexed, marked Exhibit "E", is the exterior boundary of the McDonald Gas Field in San Joaquin County, California, and first party, for purposes of this agreement, hereby accepts such findings of the second party. Should it subsequently be established by second party that the McDonald Gas Field is greater or less in area than herein specified, then an appropriate adjustment shall be made between the parties hereto respecting the proportion of the State's ownership in the extended or diminished gas field, but all the other provisions of this agreement shall remain unchanged, and shall apply within said changed boundaries* * * *"

The Standard Oil Company of California, the second party to the aforesaid agreement, completed five new producing gas wells and abandoned a sixth new well between October 27, 1949, and December 9, 1949. From the results of these new wells it has been determined that the area of the field is less than that specified in the original agreement, and therefore an adjustment of the State's proportion in the diminished gas field should be made. All of the State lands effective in the original determinations are still located within the productive limits of the field, and therefore it is proposed that the State's participation should be increased from 8.25%, as provided in the original agreement, to 8.77%, effective January 1, 1950. The field data and computations as presented by the Standard Oil Company of California as the bases for the proposed revision of the agreement have been reviewed by the staff and found to be reasonable and compatible with the procedure for establishment of the State's participation in Agreement 412.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT TO AGREEMENT 412, McDONALD GAS FIELD, TO PROVIDE THAT FROM AND AFTER JANUARY 1, 1950, THE PERCENTAGE OF STATE LANDS WITHIN THE PRODUCTIVE LIMITS OF THE McDONALD GAS FIELD FOR ROYALTY ACCOUNTING PURPOSES SHALL BE 8.77%, IN LIEU OF 8.23% AS PROVIDED HERETOFORE, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT TO REMAIN IN FULL FORCE AND EFFECT.

15. (OIL AND GAS LEASE EXTENSION AND RENEWAL, HONOLULU OIL CORPORATION, RINCON FIELD - W.O. 743, P.R.C. 429.) The Commission was informed that on April 12, 1951 (Minute Item 21, Page 1342), it authorized the issuance of Oil and Gas Lease Extension and Renewal P.R.C. 429, Rincon Field, to the Honolulu Oil Corporation, subject to approval by the Department of the Interior. A letter statement of nonobjection by the Department of the Interior to the action issuing the Oil and Gas Lease Extension and Renewal was received June 7, 1951.

Section 15 of the subject Lease, P.R.C. 429, provides in part that in the event the State should elect to take royalty in money instead of in kind, the lessee shall not sell or otherwise dispose of the products produced thereunder except in accordance with a sales contract or other method first approved in writing by the State. The lessee has requested approval of the continuation of the marketing procedure in effect heretofore under a sales contract filed April 18, 1941, in connection with preceding Lease 56 (303-1921), whereunder all royalty payable on oil has been calculated upon the reasonable market price for the oil at the well, which is defined as the price posted by the General Petroleum Corporation for oil of like quality and gravity in the Rincon Field.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO INFORM HONOLULU OIL CORPORATION, LESSEE UNDER OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 429, THAT UNTIL FURTHER NOTICE FROM THE STATE LANDS COMMISSION AUTHORIZATION IS GRANTED FOR THE CONTINUATION OF THE METHOD OF ACCOUNTING FOR OIL ROYALTY PAYABLE UNDER THE SUBJECT LEASE UPON THE REASONABLE MARKET PRICE FOR THE OIL AT THE WELL, WHICH SHALL BE THE PRICE POSTED BY THE GENERAL PETROLEUM CORPORATION FOR OIL OF LIKE QUALITY AND GRAVITY IN THE RINCON FIELD, SUBJECT TO THE EXPRESS CONDITION THAT THE AUTHORIZATION OF THIS PROCEDURE SHALL NOT BE CONSTRUED TO MODIFY OR AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL THE TERMS AND CONDITIONS OF OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 429.

16. (ACQUISITION BY THE UNITED STATES OF LANDS OCCUPIED BY THE U. S. NAVY IN SAN FRANCISCO, CALIFORNIA, UNDER THE PROVISIONS OF SECTION 126, GOVERNMENT CODE - W.O. 1002.) The Commission was informed that on November 20, 1950, it authorized the Executive Officer to order and conduct the requisite hearings pursuant to Section 126 of the Government Code and under the rules and regulations adopted by the Commission on June 14, 1949, on an application for consent to acquisition by the United States of lands occupied by the Department of the Navy in the City and County of San Francisco, and used as a depot of supplies for the United States Marine Corps.

On October 31, 1950, an application for acceptance of jurisdiction by the United States of the lands pertaining to this installation was executed by