

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