

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to extend the term of the directive of December 12, 1952, relating to the operations of the Santa Fe Rock and Sand Company in the extraction of sand and gravel from the Tuolumne River, Stanislaus County, for a period of 45 days terminating not later than March 27, 1953, to permit the completion of any lease issuance pursuant to the published Notice of Intention to receive bids.

*Note: see Minute Book
1776-77 Item #18
5.0*

23. (BID FOR SAND AND GRAVEL LEASE, TIDE AND SUBMERGED LANDS, ROCKAWAY BEACH, SAN MATEO COUNTY, KEN ROYCE, INC. - W. O. 1095.) On August 21, 1952 (Minute Item 22, Pages 1603-1606), the Commission postponed action on the application of Ken Royce, Inc. for a lease to remove sand and gravel from approximately five acres of tide and submerged lands at Rockaway Beach, San Mateo County, pending further study of the possibility of permanent damage to the beaches in the area in question. A field inspection of the subject area was made January 16, 1953, by Lieutenant Governor Knight and Controller Kirkwood, in company with representatives of the San Mateo County Planning Commission, Board of Supervisors, San Mateo County, and Staff.

A further review of all factors has shown that insufficient data are available to permit a reasonable conclusion that no permanently damaging effects to the proposed lease area and littoral lands might result from sand and gravel extraction operations.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to reject the bid of Ken Royce, Inc. for a mineral extraction lease under W.O. 1095 and to refund all deposits made by the bidder with the exception of the statutory \$5 application filing fee.

24. (ASSIGNMENT OF AGREEMENTS FOR EASEMENT NOS. 274, 275, 400 and 401, WILSHIRE OIL COMPANY, INC., HUNTINGTON BEACH - W.O. 1401.) The Wilshire Oil Company, Inc., Lessee under Agreements for Easement Nos. 274, 275, 400 and 401, Huntington Beach, has submitted an application for assignment of the subject easement agreements, in specified proportions, to B-L and Associates, Inc. and Elsinore C. Machris, as sole heir of the Estate of George L. Machris, deceased, with the interest assigned to B-L and Associates, Inc. to be assigned immediately thereafter to Monterey Oil Company.

Agreement for Easement 274 was issued March 1, 1934, to Ambassador Petroleum Company for an initial term of twenty years, with the preferential right in the Lessee for extensions of additional periods of ten years each. This easement was assigned to Wilshire Oil Company, with the approval of the Commission, on February 20, 1945. Easement 275 was issued to the Wilshire Oil Company on March 1, 1934, under the same terms and

conditions specified for the aforesaid Easement 274, Easements 400 and 401 were issued to the Wilshire Oil Company on November 7, 1938, pursuant to competitive public bidding, for initial terms of twenty years each and at the option of the Lessee for so long thereafter as oil or gas is produced from the easement.

In the proposed chain of assignment, B-L and Associates, Inc. will assume full responsibility for all operations required under the subject leases through a proposed operating agreement between B-L and Associates, Inc. and Elsinore C. Machris. The assignment to Elsinore C. Machris and the approval of the operating agreement are to be considered by the Superior Court in Los Angeles in Probate Proceeding No. 320, 321, on February 9, 1953. Monterey Oil Company, as final assignee, would succeed to the operating agreement and be required to perform all the terms, covenants and conditions of the respective easements. Assignment of corollary right-of-way agreements, to which the State is not a party but which cover the courses of the wells traversing uplands not under the jurisdiction of the State, have also been requested by the assignors and assignees from the Standard Oil Company of California, the Huntington Beach Company, Pacific Electric Land Company and the Pacific Electric Railway Company. Similarly, the easement assignments are subject to reservations as between parties, covering processing contracts, operating agreement and purchase payment conditions, to which the State is not a party.

The statutory \$5 application filing fee has been paid.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to approve the assignment of undivided interests in Agreements for Easement Nos. 274, 275, 400 and 401, Huntington Beach, from the Wilshire Oil Company, Inc. to B-L and Associates, Inc. and Elsinore C. Machris, in the undivided interest percentages of 66.664 per cent and 33.336 per cent respectively, and a second assignment of the 66.664 per cent undivided interest from B-L and Associates, Inc. to Monterey Oil Company, subject to the following conditions:

1. Assumption by the Monterey Oil Company of full responsibility for the performance of all terms, covenants and conditions, without modification, of Agreements for Easement Nos. 274, 275, 400 and 401, including the deposit of the performance bonds specified by the respective easements.
2. Approval by the Office of the Attorney General of all requisite assignment documents as to form.

25. (REFUND UNDER CANCELLED GRAZING LEASE P.R.C. NO. 1204, RAYMOND F. STOCKTON, KERN COUNTY.) On January 8, 1953 (Minute Item 3, Pages 1-1704 and 2-1705), the Commission authorized the sale of Section 16, T. 30 S., R. 34 E., M.D.M., containing 640 acres in Kern County, to Raymond F. Stockton at a cash price of \$2,560. Completion of this sale automatically terminated Grazing Lease P.R.C. No. 1204 covering the same land, held by Raymond F.