

authorities of the United States for the release and return to the State, by check payable to the State of California, of all tide and submerged lands rentals and royalties on deposit with the United States under the terms of the stipulation of July 26, 1947 and renewals thereof, with the understanding that the United States may retain any amounts to which it is entitled under the terms of said stipulation; he should further inform such authorities that unless they advise to the contrary, upon receipt of the afore-mentioned check the State of California will assume that the Government of the United States releases all claim to all amounts held by the State of California pursuant to such stipulations and to all rentals and royalties received after January 1, 1953 from the tide and submerged lands involved; and that until directed otherwise, the Executive Officer shall deposit all rentals and royalties received from tide and submerged land leases, beginning May 23, 1953 and thereafter, in the account presently established in the Treasury Special Deposits."

AND EXCEPT FOR ITEM 14 OF THE MINUTES OF JULY 2, 1953, IN WHICH THE P.R.C. NUMBER WAS CORRECTED FROM 815.1 TO 817.1.

2. (PROPOSED GAS LEASE, GREY LODGE REFUGE, BUTTE COUNTY - W.O. 1125, P.R.C. 820.4.) On May 21, 1953 (Minute Item 4, Pages 1803-04), the Commission authorized the publication of a notice of intention pursuant to the provisions of the Public Resources Code for a lease for the production of oil and gas from State lands in the Grey Lodge Refuge, Butte County. Three bids have been received pursuant to the publication of the authorized notice. The Superior Oil Company has offered a royalty bid factor of 0.3, The Texas Company, 1.0117 and the Honolulu Oil Corporation, the equivalent of 1058.1, respectively. The bid of the Honolulu Oil Corporation is of such magnitude that for any measurable production in excess of 36.67 M.c.f. per day, the ceiling royalty rate of 75% would apply.

The Honolulu Oil Corporation and The Texas Company have qualified on all requirements specified by the call for bids. The Superior Oil Company failed to furnish a certified copy of a financial statement and did not submit the bid identified in the manner specified in the lease offer. In addition, in an accompanying letter of transmittal, The Superior Oil Company offered a cash payment of \$66,092 as added consideration for the granting of a lease. This proposal is not in conformance with the lease offer. The Division of State Lands has been informed by the Office of the Attorney General previously, in connection with preceding lease offers, that no modification by letter of transmittal may be considered and that bid evaluation must be limited solely to the bids submitted upon the specified bid form. Therefore, the bids received, in descending order, are Honolulu Oil Corporation, The Texas Company and the Superior Oil Company.

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

The Executive Officer is authorized to execute and issue an oil and gas lease for the lands described in lease offer

W.O. 1125 to the Honolulu Oil Corporation as high bidder, for a period of 20 years and for so long thereafter as oil or gas is produced in paying quantities, subject to the deposit by the lessee of the performance bond in the amount of \$50,000 as required by Section 13 of the lease offer.

3. (SALE OF VACANT SCHOOL LAND, APPLICATION NO. 10528, LOS ANGELES LAND DISTRICT, INYO COUNTY, FLOYD C. WILLIAMS - S.W.O. 5452.) An offer has been received from Floyd C. Williams of Madera, California, to purchase the S $\frac{1}{2}$ of SW $\frac{1}{4}$ and Lots 2, 3, 4 and 9 of Section 16, T. 24 N., R. 8 E., S.B.M., containing 180.80 acres in Inyo County. Mr. Williams made an offer of \$361.60, or \$2 per acre.

An inspection and appraisal by a member of the Commission's Staff on April 18, 1953, sets the minimum value of the subject land at \$5 per acre, because of the possibility of obtaining water. It is of about the same character as contiguous lands.

The land is sandy, gravelly and flat, and lies at an elevation of 2,450 feet. The soil is of first quality, supporting sagebrush and sparse desert growth. It contains no springs and is poor grazing land, but is accessible by an existing road which connects with Highway 212 one-quarter mile south. Agriculture would be possible if water is obtainable. The nearest well is two miles away in Nevada; the water level is about 20 feet.

Before the land was advertised for sale, Mr. Williams was advised that the minimum appraised value was \$5 per acre. He posted the necessary amount to meet that value. The land was then advertised for sale with a stipulation that no offer of less than \$904 would be accepted. Mr. Williams bid \$904. No other application for the lands was received pursuant to the advertising.

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

The sale is authorized of the S $\frac{1}{2}$ of SW $\frac{1}{4}$ and Lots 2, 3, 4 and 9 of Section 16, T. 24 N., R. 8 E., S.B.M., containing 180.80 acres in Inyo County, to the single bidder, Floyd C. Williams, at a cash price of \$904, subject to all statutory reservations including minerals.

4. (SALE OF VACANT SCHOOL LAND, APPLICATION NO. 10571, LOS ANGELES LAND DISTRICT, RIVERSIDE COUNTY, LLOYD R. EARL - S.W.O. 5572.) An offer has been received from Lloyd R. Earl of San Marino, California, to purchase the W $\frac{1}{2}$ of Section 16, T. 7 S., R. 20 E., S.B.M., containing 320 acres in Riverside County. Mr. Earl made an offer of \$640, or \$2 per acre.

The Assessor of Riverside County has assessed land in the vicinity of this land at \$1.50 per acre, thus indicating the appraised value of nearby land to be \$3 per acre. The subject land is of about the same character. An inspection and appraisal by a member of the Commission's Staff on April 16, 1953, sets the minimum value at \$5 per acre, because of the possibility of obtaining water by drilling wells. The subject land is flat and lies at an