

A regular meeting of the State Lands Commission was held in Room 5100 State Capitol, Sacramento 14, California, on Tuesday, February 9, 1954, at 2 p.m.

Present: Robert C. Kirkwood, Chairman
Harold J. Powers, Member
John M. Peirce, Member

Staff Members in Attendance:

Rufus W. Putnam, Executive Officer
J. Stuart Watson, Assistant Executive Officer
F. J. Hortig, Mineral Resources Engineer
Kenneth C. Smith, Supervising Land Title Abstractor
Elsie F. Latta, Acting Secretary

Others in Attendance:

For Items 25, 26 and 27 - Submarine Geophysical Exploration
L. N. Waterfall, Union Oil Company of California

For Items 20, 22 and 27 - Submarine Geophysical Exploration
J. J. Callahan, Santa Barbara City Councilman

For Items 21, 22, 23 and 24 - Submarine Geophysical Exploration
J. G. Leovy, Western Gulf Oil Company

1. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE MINUTES OF THE MEETING OF THE STATE LANDS COMMISSION HELD IN SACRAMENTO ON DECEMBER 17, 1953, AND OF THE MEETING HELD IN LOS ANGELES ON JANUARY 8, 1954, WERE CONFIRMED AS SUBMITTED.

2. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, RINCON, VENTURA COUNTY - W.C. 1436.) Tide and submerged lands adjacent to the Mussel Shoals Tract, Punta Gorda, Ventura County, are being drained by wells operating under existing State Oil and Gas Leases P.R.C. 429 and P.R.C. 427. (A finding that the State lands are being drained or may be drained is required by Section 6872, Public Resources Code, as a condition precedent to authorization to the Commission to offer tide and submerged lands for lease.) 667 acres of this area adjoining the existing leases were previously included in Oil and Gas Lease P.R.C. 144, issued June 19, 1944. However, proper development of the area was not secured under this lease and the area was quitclaimed June 14, 1949. Additional production history, further geologic studies and geophysical exploration have again focused interest of several prospective bidders on any potential lease offer for the area of tide and submerged lands extending westerly from the existing offshore oil and gas leases in the Rincon Oil Field. It is proposed that approximately two square miles of tide and submerged lands adjoining the existing offshore oil and gas leases be offered for lease pursuant to competitive public bidding in accordance with the Public Resources Code. Well location proposals by bidders may include location of any single or combination specification to locate wells upon an upland drill site littoral to the tide and submerged lands to be leased, on filled lands, or upon any pier heretofore constructed for drilling purposes and available for such drilling upon any tide or submerged lands described in any valid existing lease heretofore issued pursuant to the provisions of Chapter 303, Statutes of 1921. (All of such specifications for well locations are provided for in Section 6873, Public Resources Code.)

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

The Commission:

1. Finds that it appears that oil or gas deposits are known or believed to be contained in the tide and submerged lands to be offered for lease and that such lands may be or are being drained by means of wells upon adjacent lands.
2. Authorizes the Executive Officer to prepare a form of oil and gas lease and publish a notice of intention to receive bids in conformance with Sections 6873, 6874, 6834 and 6835, Public Resources Code. The lease to be offered shall conform to the following:
 - A. A parcel of tide and submerged lands in Ventura County adjoining existing State Oil and Gas Leases P.R.C. 427 and P.R.C. 429 on the west. The proposed lease area is to extend in the form of a rectangle two miles westerly from the most southeasterly corner of Oil and Gas Lease P.R.C. 427 and one mile southerly from Punta Gorda, the closest onshore point, containing approximately 1,150 acres.
 - B. General lease operating terms and conditions shall conform to the conditions previously specified for Oil and Gas Lease P.R.C. 820.4 (Grey Lodge Refuge, Butte County). Specific tide and submerged land lease operating conditions shall conform to the conditions specified heretofore in Oil and Gas Lease P.R.C. 735.5 (Montalvo, Ventura County).

The standard form of offer shall provide:

- (1) As a condition precedent to consideration of a bid, each prospective bidder shall present evidence satisfactory to the Commission of the bidder's present ability to furnish all necessary sites and rights of way for all operations contemplated under the provisions of the proposed lease.
 - (2) In the event of a proposal for well location upon filled lands, a specification requiring demonstration of present ability, including financial, to provide the drill sites contemplated.
3. (RENEWAL AND EXTENSION, AGREEMENT FOR EASEMENT 274.5, MONTEREY OIL COMPANY AND SUNILAND OIL CORPORATION, HUNTINGTON BEACH, ORANGE COUNTY - W.O. 1513.) An application has been received from the Monterey Oil Company and Suniland Oil Corporation as successor in interest to Elsinore C. Machris, joint lessees under State Agreement for Easement 274.5, for renewal and extension of the easement agreement. PAC 719.5 X