

3. (RENEWAL AND EXTENSION OF AGREEMENTS FOR EASEMENT, HUNTINGTON BEACH, ORANGE COUNTY - GEN. DATA, OIL AND GAS.) On February 9, 1954 (Minute Item 3, page 1961; Minute Item 4, page 1962), the Commission authorized the issuance of renewal and extension agreements for two oil and gas operating easements issued originally March 1, 1934, for a term of 20 years. Approximately 40 additional agreements for similar operations in the same tide and submerged land area of Huntington Beach are under negotiation for renewal and extension, on the same terms and conditions as authorized by the Commission as stated hereinbefore. All agreements still under negotiation expired March 1, 1954, and provide that the grantee has the preferential right to renewal upon such reasonable terms and conditions as may be prescribed by the State. X

In consideration of the original agreement expiration dates of March 1, 1954, prior to completion of renewal negotiations for presentation to the Commission for consideration and action, interim letter agreements were issued to provide that the producing wells under the respective easement agreements might continue to be operated under the terms and performances required under those agreements, pending the consummation of a renewal agreement not later than April 30, 1954.

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

CONFIRMATION IS GIVEN FOR THE ISSUANCE OF THE INTERIM LETTER AGREEMENTS BY THE EXECUTIVE OFFICER TO PROVIDE FOR THE OPERATION OF PRODUCING WELLS UNDER AGREEMENTS FOR EASEMENT 272 THROUGH 368, HUNTINGTON BEACH, UNDER THE TERMS AND PERFORMANCES REQUIRED UNDER THE RESPECTIVE AGREEMENTS WHICH EXPIRED MARCH 1, 1954, PENDING THE CONSUMMATION OF RENEWAL AGREEMENTS NOT LATER THAN APRIL 30, 1954, SUCH INTERIM LETTER AGREEMENTS TO BE EFFECTIVE MARCH 1, 1954.

4. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY-HONOLULU OIL CORPORATION, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 308, P.R.C. 309.) On December 18, 1952 (Minute Item 5, pages 1697-98), the Commission authorized the deferment of the drilling and operating requirements under Oil and Gas Lease P.R.C. 308 for one year to December 1, 1953, during which time additional development activities would be conducted under adjoining Lease P.R.C. 309. Such development activity was carried on by the drilling of a commercially unsuccessful fourth well to a depth in excess of 10,000 feet. The subject lessees have drilled a total of six nonproductive wells under the leases at a reported total exploration cost in excess of \$3,000,000. As a result of the information obtained from the drilling of the last well, the lessees believe it advisable to re-evaluate all field data as a condition precedent to determining whether to attempt any additional development work or relinquish the leases. To assist in such re-evaluation, the lessees have also requested permission to conduct submarine geophysical exploration operations in the lease and adjoining area. (Calendar Item - W.O. 1703). X

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT SIGNAL OIL AND GAS COMPANY AND HONOLULU OIL CORPORATION, LESSEES UNDER STATE OIL AND GAS LEASES P.R.C. 308 AND P.R.C. 309, DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE SUBJECT LEASES TO JANUARY 1, 1955. THIS GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITIONS THAT DURING THE PERIOD OF DEFERMENT THE LESSEES WILL PERFORM ONE OF THE FOLLOWING ACTIONS: