

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:

1. INITIATE DEVELOPMENT ON A LEASE.
2. QUITCLAIM THE ENTIRE LEASE AREAS.
3. PRESENT NEW, ADEQUATE BASES, NOT CONSIDERED HERETOFORE, FOR CONSIDERATION AS TO ANY FURTHER EXTENSION OF THE DEFERMENT OF THE OPERATING AND DRILLING REQUIREMENTS UNDER THE RESPECTIVE LEASES.

5. (APPLICATION TO DREDGE, INSTALL PIPE LINES, DOLPHINS AND WHARF, TIDE AND SUBMERGED LANDS, SUISUN BAY, CONTRA COSTA COUNTY, P.R.C. 387.1, SHELL CHEMICAL CORPORATION - W.O. 1683.) On February 9, 1954, the Executive Officer was authorized to grant permission to the Shell Chemical Corporation to dredge approximately 7,000 cubic yards of material and install a pipe line in Suisun Bay, Contra Costa County, within the area covered by Lease No. P.R.C. 387.1, issued to said Corporation on January 1, 1949, for a term of 15 years. Subsequent information has revealed that the Corporation also wishes to install two 9-pile dolphins and a wharf 16 feet in width by 30 feet in length within the area covered by its lease. The estimated value of the installation is \$23,500, the cost of the proposed dredging being \$7,000. The purpose of this project is to permit the loading of barges with chemicals produced in the Corporation's plant. This appears to be consistent with the uses provided for in Paragraph 4 of said lease, namely, for lawful commercial purposes in connection with chemical plant operation. The Staff believes that the proposed installation does not warrant an increase in the amount of the performance bond of \$1,000 presently required. Filing fee is not necessary.

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT PERMISSION TO THE SHELL CHEMICAL CORPORATION TO INSTALL TWO DOLPHINS, A WHARF AND A PIPE LINE ON SAID WHARF AND TO DREDGE APPROXIMATELY 7,000 CUBIC YARDS OF MATERIAL FROM SUISUN BAY, CONTRA COSTA COUNTY, ADJACENT TO SAID WHARF, ALL OPERATIONS TO BE WITHIN THE PURVIEW OF PARAGRAPH 4 OF LEASE P.R.C. 387.1, ISSUED TO SAID CORPORATION, THIS ACTION TO SUPERSEDE THAT AUTHORIZED BY THE STATE LANDS COMMISSION ON FEBRUARY 9, 1954.

6. (APPLICATION FOR AMENDMENT OF LEASE P.R.C. 600.1, TIDE AND SUBMERGED LANDS, SAN PABLO BAY, CONTRA COSTA COUNTY, UNION OIL COMPANY OF CALIFORNIA - W.O. 1605.) The Union Oil Company of California has applied for an amendment of Lease P.R.C. 600.1, issued to that company on April 6, 1951, and amended on August 29, 1951. The amendment now requested is for the construction of a new and much larger pier at the company's Oleum Refinery which will occupy more area. The old pier occupies 3.261 acres; the new pier will occupy 8.842 acres. Rental at the present time amounts to \$1,233.60 annually for the wharf area and 3.68 acres of filled tidelands used for storage. The increased area at the same appraised value as that established in 1951 will call for an increase in annual rental amounting to \$457.37, to a total of \$1,690.43 annually. Performance bond in the amount of \$35,000, furnished pursuant to Lease P.R.C. 600.1 now in effect, should be increased to \$80,000 because of the increased size of the new pier and because of its concrete rather than timber construction.

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