

STANDARD B & P "NOISEAR"

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2. THE APPROVAL, PURSUANT TO THE TERMS OF OIL AND GAS LEASE P.R.C. 145.5 AND SECTION 6804, PUBLIC RESOURCES CODE, SHALL NOT BE DEEMED A WAIVER OF STATUTORY REQUIREMENTS, IF ANY, OTHERWISE APPLICABLE TO TRANSFERS OF INTERESTS IN OIL AND GAS LEASES.

4. (RENEWAL AND EXTENSION, AGREEMENTS FOR EASEMENT 272-368, HUNTINGTON BEACH, ORANGE COUNTY.)

Applications have been received from the lessees under State agreements for easement, as tabulated hereinafter, for renewal and extension of the respective agreements. These agreements were issued for a term of twenty years starting March 1, 1934 (with the exception of E. 272, issued December 30, 1933), and provide that the grantee has the preferential right to renewal for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the State, unless otherwise provided by law at the time of the expiration of such periods. Section 6827, Public Resources Code, now provides that oil and gas leases may be for a term of twenty years and for so long thereafter as oil or gas is produced in paying quantities.

The form of oil and gas lease proposed to be issued in renewal and extension of the expired easement agreements has been approved as to form by the Office of the Attorney General and is in conformance with the renewals in the same field authorized by the Commission February 9, 1954 (Minute Items 3 and 4, pages 1961-63). The new leases provide for the same basic oil royalty required previously under the expired agreements with a specified minimum of 16-2/3%, except in those instances where higher minima were established in lease modifications by mutual consent, as noted in the following tabulation.

All applicants have agreed to the acceptability of the proposed form of lease extension and renewal.

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO THE APPLICANTS LISTED IN THE FOLLOWING TABULATION AN OIL AND GAS LEASE IN RENEWAL AND EXTENSION OF THE RESPECTIVE EASEMENT AGREEMENTS, IN THE FORM APPROVED BY THE OFFICE OF THE ATTORNEY GENERAL. THE TERM OF THE LEASE IS TO BE FOR TEN YEARS AND FOR SO LONG THEREAFTER AS OIL OR GAS IS PRODUCED IN PAYING QUANTITIES FROM THE DEMISED PREMISES. THE ANNUAL LEASE RENTAL IS TO BE \$50, AND OIL ROYALTIES WILL BE PAYABLE IN ACCORDANCE WITH THE FORMULA SPECIFIED IN THE ORIGINAL AGREEMENT FOR EASEMENT OR MODIFICATIONS THEREOF, SUBJECT TO A MINIMUM OIL ROYALTY RATE OF 16-2/3%. ALL EXTENSION LEASE TERMS AND CONDITIONS ARE TO BE EFFECTIVE MARCH 1, 1954, WITH THE EXCEPTION OF THE LEASE ISSUED IN EXTENSION OF E. 272, WHICH IS TO BE EFFECTIVE DECEMBER 30, 1953. EXECUTION OF ALL RENEWAL LEASES IS TO BE COMPLETED BY MAY 31, 1954. INTERIM OPERATIONS OF PRODUCING WELLS ARE TO BE CONDUCTED UNDER AN EXTENSION TO NOT LATER THAN MAY 31, 1954, OF THE INTERIM LETTER AGREEMENT AUTHORIZED BY THE COMMISSION MARCH 26, 1954 (MINUTE ITEM 3, PAGE 2011), TO PROVIDE FOR OPERATIONS UNDER THE TERMS AND PERFORMANCES OF THE RENEWAL LEASES PENDING CONSUMMATION THEREOF.

<u>Easement Number</u>	<u>W.O. No.</u>	<u>P.R.C. Number</u>	<u>Applicant</u>	<u>Exceptions from Standard Form</u>
272.5	1477	976.5	Roscoe F. Oakes, Margaret H. Oakes, Estate of E. E. Combs, deceased, by Frende W. Combs and Eldredge E. Combs, Executors, Frende W. Combs, Eldredge E. Combs and Ernest F. Combs.	P.R.C. lease royalty formula - factor 1.1 applied to production for well "Fee" 5.
276.5	1741	977.5	Reading Oil Corporation	
278.5	1745	978.5	McVicar-Rood	
279.5	1746	979.5	McVicar-Rood	
280.5	1747	980.5	Simarco Oil Company	
281.5	1748	981.5	McVicar-Rood	
282.5	1749	982.5	McVicar-Rood	
283.5	1750	983.5	McVicar-Rood	
284.5	1742	984.5	Hammil Oil Corporation	
285.5	1743	985.5	Milton Oil Corporation	
286.5	1744	986.5	M. & H. Oil Corporation	
289.5	1759	987.5	Ocean Front Oil Company	
291.5	1771	988.5	Mar Rico Oil Company	
295.5	1763	989.5	Chas. W. Camp	
297.5	1757	990.5	Consolidated Petroleum Company	
299.5	1768	991.5	Benito-Huntington Oil Company, Inc.	
300.5	1772	992.5	J. H. Marion, Minnie P. Marion, M. A. Machris, Requita Lick Machris, Maybell Machris, Frank Vessels, Grace M. Vessels	20% minimum oil royalty for well "Speik" No. 4.
301.5	1778	993.5	G. D. Oil Company	
306.5	1756	994.5	Huntington Signal Oil Company	

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309.5	1769	995.5	Sunset Oil Company	
310.5	1751	996.5	H. H. McVicar and C. M. Rood	
311.5	1752	997.5	H. H. McVicar and C. M. Rood	
312.5	1518	998.5	West Shore Petroleum Company	
315.5	1760	999.5	Beloil Corporation, Ltd.	
317.5	1753	1329.5	McVicar-Rood	
318.5	1761	1330.5	Beloil Corporation, Ltd.	
319.5	1762	1331.5	Beloil Corporation, Ltd.	
320.5	1754	1332.5	H. H. McVicar and C. M. Rood	
322.5	1755	1333.5	H. H. McVicar and C. M. Rood	
325.5	1770	1334.5	Sunset Oil Company	
329.5	1774	1335.5	O. D. Oil Company	
330.5	1775	1336.5	Milton Silverstone	
331.5	1776	1337.5	Ruchti Oil Company, Inc.	
333.5	1773	1338.5	H. B. Oil Company	
334.5	1765	1339.5	Western States Drilling Co.	
335.5	1777	1340.5	O. R. Howard & Company	
336.5	1758	1341.5	W. K. Company	
337.5	1519	1342.5	Nell McIntyre, Roscoe F. Oakes, Margaret H. Oakes, Estate of E. E. Combs, deceased, by Frende W. Combs and Eldredge E. Combs, Executors, Frende W. Combs, Eldredge E. Combs and Ernest F. Combs	
338.5	1767	1343.5	Standard Oil Company of California, Huntington Beach Company, Pacific Electric Rail- way Company, Pacific Electric Land Company	

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340.5	1764	1344.5	Southwest Exploration Co.	
352.5	1520	1345.5	Orco Oil Company	
368.5	1766	1346.5	Tower Petroleum Company	

5. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, HUNTINGTON BEACH, ORANGE COUNTY - W.O. 1809.) Tide and submerged lands in the easterly sector of Huntington Beach, Orange County, are being drained or may be drained by two wells operating on adjoining granted tide and submerged lands under an oil and gas lease issued by the City of Newport Beach. The production history of these wells and the geologic and geophysical data covering the State tide and submerged lands have been reviewed by the Staff with the conclusion that four square miles of tide and submerged lands adjoining the existing offshore oil and gas lease in the City of Newport Beach could be recommended for lease pursuant to competitive public bidding in accordance with the Public Resources Code. Wells for the development of the area to be recommended for lease could be located upon upland drill sites or upon filled submerged lands as provided for in Section 6873, Public Resources Code. The tide and submerged land area under consideration for lease offer adjoins the Huntington Beach State Beach Park. ✓

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

1. THE COMMISSION 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. THE EXECUTIVE OFFICER IS AUTHORIZED TO PREPARE A FORM OF OIL AND GAS LEASE AND PUBLISH A NOTICE OF INTENTION TO RECEIVE BIDS IN CONFORMANCE WITH SECTIONS 6834, 6835, 6873 AND 6874, PUBLIC RESOURCES CODE. THE LEASE TO BE OFFERED SHALL CONFORM TO THE FOLLOWING:
  - A. TWO PARCELS OF TIDE AND SUBMERGED LANDS IN ORANGE COUNTY EXTENDING WESTERLY FOR TWO MILES FROM THE WESTERLY NEWPORT BEACH CITY LIMITS AND COVERING THE AREAS PARALLEL WITH THE ORDINARY HIGH WATER MARK, EXTENDING FROM THE ORDINARY HIGH WATER MARK TO ONE MILE SEAWARD THEREOF, AND FROM ONE MILE SEAWARD TO TWO MILES SEAWARD OF THE ORDINARY HIGH WATER MARK.
  - B. THE LEASE OPERATING TERMS AND CONDITIONS SHALL CONFORM TO THE CONDITIONS AUTHORIZED AND SPECIFIED PREVIOUSLY FOR THE TIDE AND SUBMERGED LANDS OIL AND GAS LEASE OFFER AT RINCON, VENTURA COUNTY, W. C. 1436 (MINUTE ITEM 2, PAGES 1960-61).