

<u>Easement Number</u>	<u>W.O. No.</u>	<u>P.R.C. Number</u>	<u>Applicant</u>	<u>Exceptions from Standard Form</u>
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).

C. BIDS ARE TO BE INVITED FOR EACH OF THE TWO PARCELS OF TIDE AND SUBMERGED LANDS SEPARATELY AND AS A UNIT.

THE STANDARD FORM OF OFFER SHALL PROVIDE:

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 AND TO CONDUCT ALL OPERATIONS CONTEMPLATED UNDER THE PROVISIONS OF THE PROPOSED LEASE.

RECOMMENDATIONS RELATIVE TO BASES FOR AWARD OF A LEASE SUBSEQUENT TO COMPETITIVE PUBLIC BIDDING ARE TO BE PRESENTED TO THE COMMISSION AFTER REVIEW OF THE PROGRAM FOR PROPOSED OPERATIONS WITH THE STATE PARK COMMISSION.

6. (SALE OF VACANT FEDERAL LAND, OBTAINED THROUGH USE OF BASE, SCRIP APPLICATION NO. 4883, SACRAMENTO LAND DISTRICT, FRESNO COUNTY, CLYDE WARLOW JOHNSON, GEORGE LEWIS JOHNSON, ROBERT O. JOHNSON, CLYDE W. JOHNSON, JR. AND DAN WALLACE JOHNSON - S.W.O. 5489.) An offer has been received from Clyde Warlow Johnson, George Lewis Johnson, Robert O. Johnson, Clyde W. Johnson, Jr., and Dan Wallace Johnson of Sanger, Fresno County, California, to purchase Lots 1, 4, 5, 11, 12, 16, 17, 19 and 20 in Section 9, T. 13 S., R. 26 E., M.D.M., containing 205.49 acres in Fresno County. This land may be obtained by the State from the Federal Government through use of base. The applicants made an offer of \$1,027.45, or \$5 per acre.

The Assessor of Fresno County has assessed contiguous land at \$3.50 per acre, thus indicating its appraised value to be \$7 per acre.

An inspection and appraisal, on file with the Commission, by Mr. Phillip U. Lucas, an independent appraiser of Ivanhoe, California, on March 6, 1954, sets the minimum value at \$5.80 per acre. The applicants posted the necessary amount to meet the appraised value.

The State's application to select the land has been accepted by the Bureau of Land Management, subject to future approval and listing.

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

THE SALE IS AUTHORIZED OF LOTS 1, 4, 5, 11, 12, 16, 17, 19 AND 20 IN SECTION 9, T. 13 S., R. 26 E., M.D.M., CONTAINING 205.49 ACRES IN FRESNO COUNTY, TO CLYDE WARLOW JOHNSON, GEORGE LEWIS JOHNSON, ROBERT O. JOHNSON, CLYDE W. JOHNSON, JR., AND DAN WALLACE JOHNSON AT THE APPRAISED CASH PRICE OF \$1,191.84, SUBJECT TO ALL STATUTORY RESERVATIONS INCLUDING MINERALS, UPON THE LISTING (CONVEYANCE) OF SAID LAND TO THE STATE BY THE FEDERAL GOVERNMENT.