

It was decided that after the consulting board had gotten well into their work that another meeting with the Commission would be advisable.

3. (PROPOSED ACTIVITIES OF CONSULTING BOARD FOR FISCAL YEAR 1955-56 - W.O. 2049.)

At the meeting of the State Lands Commission on April 13, 1955, the Executive Officer presented to the Commission a communication reading as follows:

"The State Lands Commission on March 31, 1955 (Minute Item 17, page 2315) directed, in part, that the Executive Officer define the scope of a State-wide study of offshore leasing problems, and make an estimate of the cost for the purpose of presenting to the Legislature an item in the 1955-56 Budget.

"While further review of the initial study contemplated for the Huntington Beach area has indicated that additional desirable criteria for the State-wide study may be developed during the course of the initial analysis, any proposed revision to the 1955-56 Budget must be presented currently.

"While it has been suggested that the over-all survey covering the entire California coast line be undertaken, an alternative is suggested which will comprehend an investigation of specific areas that may become critical during the current budget year. These may include:

- (1) Seal Beach - Long Beach (Orange, Los Angeles Counties). An area to the westward of that in Lease P.R.C. 186.1 which presently involves drainage by the Monterey Oil Company's island project.
- (2) Summerland (Santa Barbara County). Tide and submerged land area currently being drained to a limited extent by existing onshore wells.
- (3) Montalvo (Ventura County). Tide and submerged lands easterly of oil and gas Lease P.R.C. 735.1, subject to drainage from wells under development on existing lease.
- (4) Capitan (Santa Barbara County). Tide and submerged land area subject to threat of drainage from wells planned for upland development.
- (5) Guadalupe (San Luis Obispo County). Tide and submerged land area currently being drained to a limited extent by existing onshore wells.

"A pre-planned program for the review of all elements entering into leasing of these areas may be more directly to the point than an over-all survey of the coast, which contains many areas of no particular significance.

"With this in mind it is recommended that a special item of \$50,000 be included in the 1955-56 Budget to accomplish the purpose. The scope of the investigations will be patterned after the one currently proposed for the south Huntington Beach area, with such modifications as experience there will dictate."

Further discussion of this item indicated that rather extensive outside legal advice might be required. For that reason the Executive Officer increased his estimate of the cost to \$75,000.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE EXECUTIVE OFFICER WAS AUTHORIZED TO PROCEED WITH OBTAINING AN AUGMENTATION OF \$75,000 IN THE COMMISSION'S 1955-56 BUDGET FOR CONSULTING SERVICES FOR AN EXTENDED STUDY AND SURVEY OF OFFSHORE LEASING PROBLEMS.

4. (APPLICATION FOR MINERAL LEASE, J. S. BONNELL, FRESNO COUNTY - W.O. 2072, P.R.C. 1511.2.) The following report was presented to the Commission:

"An application for a preferential lease on 40 acres of area included in Prospecting Permit 1417.2 in the south 20 acres of the 80-acre parcel west of Lots 3 and 4, and the north 20 acres of the 40-acre parcel west of Lot 9 and north of Lot 12 in Section 36, T. 18 S., R. 12 E., M.D.B. & M., Fresno County, has been received from the permittee, J. S. Bonnell. Field inspection of the development work on the deposit of chrome ore undertaken pursuant to prospecting permit has shown that commercially valuable deposits of such minerals have been uncovered. A new mill has been built in the area to permit concentration of low-grade ore before shipment. Pursuant to Section 14 of Prospecting Permit P.R.C. 1417.2 the permittee, upon demonstration of the discovery of commercially valuable deposits of minerals, is entitled to a preferential mineral lease at the royalty rates specified in the subject permit issued July 27, 1954."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO J. S. BONNELL A PREFERENTIAL MINERAL LEASE IN THE STANDARD FORM AUTHORIZED BY THE PUBLIC RESOURCES CODE COVERING 40 ACRES IN THE SOUTH 20 ACRES OF THE 80-ACRE PARCEL WEST OF LOTS 3 AND 4, AND THE NORTH 20 ACRES OF THE 40-ACRE PARCEL WEST OF LOT 9 AND NORTH OF LOT 12 IN SECTION 36, T. 18 S., R. 12 E., M.D.B. & M., FRESNO COUNTY, HERETOFORE INCLUDED IN PROSPECTING PERMIT P.R.C. 1417.2 AT THE ROYALTY RATE SPECIFIED IN THE SUBJECT PROSPECTING PERMIT WHICH IS AS FOLLOWS, AND AT THE ANNUAL RENTAL OF \$10, SUBJECT TO DEPOSIT BY THE LESSEE OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000.

1. FOR NONPRECIOUS METALLIC MINERALS:

$$R = 3.00 + 0.37 (C - 60.00)$$

2. FOR NONMETALLIC MINERALS:

$$R = 1.00 + 0.20 (C - 20.00)$$