

Mr. Kirkwood was informed that Mr. Kemnitzer is a member of the consulting firm of Kemnitzer, Richards & Diepenbrock, geologists, and has performed work for the United States Government, for the State of California, and for other governmental agencies, as well as having done extensive consulting work for the petroleum industry at large.

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO NEGOTIATE AND ENTER INTO A SERVICE CONTRACT WITH MR. LUIS E. KEMNITZER FOR CONSULTING SERVICES AND FOR PREPARATION OF REPORTS ON GEOLOGICAL AND PETROLEUM ENGINEERING PROBLEMS RELATED TO TIDE AND SUBMERGED LAND OIL AND GAS LEASES BY THE STATE LANDS COMMISSION DURING THE BUDGET YEAR 1955-56, PURSUANT TO CHAPTER 1724, STATUTES OF 1955, AT A TOTAL COST NOT TO EXCEED \$3,000.

15. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY, HUNTINGTON BEACH - P.R.C. 1551.1.) The following report was presented to the Commission:

"Oil and Gas Lease P.R.C. 1551.1, issued to Richfield Oil Corporation, Hancock Oil Company and Signal Oil and Gas Company August 16, 1955 pursuant to competitive public bidding, requires in part that the operations for the drilling of a well shall be started within 60 days of the time of completion or suspension of operations in a preceding well. In conformance with this requirement, the lessee has drilled two wells, neither of which has been productive of oil or gas. The second well was abandoned about April 9, 1956. The lessee has reported that a total of 14,753 feet of hole has been drilled, 23 cores were taken, together with electric logs, side wall samples, core and other analyses, representing a total expenditure of approximately \$208,000, exclusive of the original lease acquisition cost. The staffs of the three co-lessees are interpreting and evaluating the data and correlating the well results with data from other wells in the area and with seismic information in order to permit the detailed analysis of all available data in an area of apparently very complex structural conditions. Therefore, the lessee has requested consideration of authorization of deferment of the drilling and operating requirements under Lease P.R.C. 1551.1 until February 1, 1957."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT SIGNAL OIL AND GAS COMPANY, OPERATOR UNDER STATE OIL AND GAS LEASE P.R.C. 1551.1, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE SUBJECT LEASE TO NOVEMBER 1, 1956. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITIONS THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE ENTIRE LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO FURTHER DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.

16. (OIL AND GAS LEASE APPLICATION, SECTION 6871.3, PUBLIC RESOURCES CODE, VENTURA COUNTY - W. O. 2243.) The following report was presented to the Commission:

"Pursuant to authorization by the Commission on January 19, 1956 (Minute Item 4, page 2534) the requisite notice specified by Section 6871.3 of the Public Resources Code was published relative to consideration of an application for an offer for oil and gas lease of approximately 16,700 acres of tide and submerged lands in Ventura County. The notice was published in Ventura March 29 and April 5, 1956 with the result that the 30 days within which any affected city or county might request in writing to the Commission that a hearing be held with respect to the lease consideration expired May 5, 1956. No requests for public hearing were received pursuant to the aforesaid notice.

"The shoreline adjoining the proposed lease area is generally uninhabited. The area lies northerly of the Los Angeles County and southerly of the Ventura County recreational beach areas. Therefore it does not appear that any hearing should be required on motion of the Commission."

The Chairman questioned whether action on this item would be in conflict with the recommendations of Assemblyman Miller's committee, and was informed by the Executive Officer that this was merely a preliminary step during the exploratory period, and that the staff was not ready to suggest affirmative action on the lease. The staff is looking towards classification of the lands as to whether they are proven or unproven, after which it will report back to the Commission the results of such exploration.

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

THE EXECUTIVE OFFICER IS DIRECTED TO PROCEED WITH THE PROCESSING FOR LEASE OFFER FOR THE EXTRACTION OF OIL AND GAS FROM APPROXIMATELY 16,700 ACRES OF TIDE AND SUBMERGED LANDS LYING BETWEEN THE COMMON VENTURA-LOS ANGELES COUNTY LINE AND A LINE APPROXIMATELY NINE MILES WESTERLY THEREOF AND BETWEEN THE ORDINARY HIGH WATER MARK AND A LINE THREE MILES SEAWARD AND PARALLEL TO THE ORDINARY HIGH WATER MARK. THE PROCESSING AS DIRECTED IS TO INCLUDE REVIEWS AND REPORTS ON THE PROPOSED LEASE OFFER BY THE COMMISSION'S BOARD OF CONSULTANTS.