

SECTION 1 OF THE ACT THE COURSE DESCRIBED AS NORTH 62 $\frac{1}{2}$ <sup>o</sup> WILL BE CHANGED TO NORTH 26 $\frac{1}{2}$ <sup>o</sup> TO CONFORM TO THE COUNTY BOUNDARY BETWEEN SOLANO AND SONOMA AS IT IS DESCRIBED IN THE GOVERNMENT CODE; AND FURTHER TO AMEND CHAPTER 483 OF THE STATUTES OF 1947 TO PROVIDE THAT THE GRANT TO THE CITY OF VALLEJO SHALL BE SURVEYED BY THE STATE LANDS COMMISSION AT THE EXPENSE OF THE CITY OF VALLEJO.

(W. O. 2115.5) - HAVE INTRODUCED A BILL TO ADD A SECTION TO THE PUBLIC RESOURCES CODE TO PROVIDE THAT THE STATE LANDS COMMISSION, BY RESOLUTION, MAY DELEGATE AUTHORITY TO ANY OF ITS OFFICERS OR EMPLOYEES TO HOLD QUASI LEGISLATIVE PUBLIC HEARINGS ON MATTERS UNDER THE JURISDICTION OF THE COMMISSION, WITH A PROVISION THAT REPORTS SHALL BE RENDERED TO THE COMMISSION ON ALL SUCH HEARINGS FOR ITS CONSIDERATION AND ACTION.

(W. O. 2115.6) - HAVE INTRODUCED A BILL TO CORRECT AN ERROR IN THE DESCRIPTION IN THE LEGISLATIVE GRANT OF TIDE AND SUBMERGED LANDS TO THE CITY OF SAUSALITO UNDER CHAPTER 534 OF THE STATUTES OF 1953.

9. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, MONTEREY OIL COMPANY, HUNTINGTON BEACH - P.R.C. 1550.1.) The following report was presented to the Commission:

"On October 10, 1955 (Minute Item 7, page 2459) the Commission granted to Monterey Oil Company, Humble Oil & Refining Company and Seaboard Oil Company, joint lessees under Lease P.R.C. 1550.1, an extension of one year until October 16, 1956 during which the lessees are to commence operations under the terms of the subject lease. On January 19, 1956 (Minute Item 7, page 2539) the Commission authorized issuance of a permit for the conduct of geological explorations from mobile marine equipment in the area of Oil and Gas Lease P.R.C. 1550.1. Pursuant to this authorization the Monterey Oil Company proceeded with the leasing of marine exploration equipment. The required barge arrived in Long Beach Harbor August 24, 1956 and is now being outfitted for the conduct of geological exploration operations. It is anticipated that this barge cannot be ready for operation before November 1, 1956. Therefore the Monterey Oil Company, as operator for Lease P.R.C. 1550.1, has requested a further extension of six months to April 16, 1957 within which time to commence operations under the terms of the lease."

In response to a question by Mr. Kirkwood as to whether he thought any drainage was occurring in the area covered by this lease, Mr. Hortig answered "No".

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT MONTEREY OIL COMPANY, AS OPERATOR UNDER OIL AND GAS LEASE P.R.C. 1550.1, A FURTHER DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER LEASE 1550.1 TO APRIL 16, 1957. 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 OPERATIONS ON THE LEASE.
  2. QUITCLAIM THE ENTIRE LEASE AREA.
  3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.
10. (OIL AND GAS LEASE APPLICATION, SECTION 6871.3, PUBLIC RESOURCES CODE, SANTA BARBARA COUNTY - W. O. 2253.) The following report was presented to the Commission:

"On August 15, 1956 (Minute Item 3, pages 2756-58) the Commission authorized the Executive Officer to offer for lease, pursuant to Section 6827 of the Public Resources Code, 5500 acres of tide and submerged lands in the Summerland area, Santa Barbara County. On October 10, 1955 (Minute Item 3, pages 2446-56) the staff was requested in part to consider the drafting of lease provisions to be included in new leases that would require the lessee, at the option of the State, to conduct production operations through pressure maintenance, either through gas or water injection or other means. Such lease requirement has been prepared and approved as to form by the office of the Attorney General, as follows:

"12. With respect to any oil or gas zone, and subject to the provisos hereinafter in this Paragraph 12 enumerated, State reserves and retains the sole and exclusive right to determine whether pressure maintenance operations or secondary recovery operations, either or both, is or are necessary or advisable in the public interest, in which event State may notify Lessee, in writing, to commence and continue such operations within a reasonable time and in the manner specified by State in said notice, and Lessee agrees to so perform.

"Exercise of either or both of the foregoing rights by State is subject to the following PROVISOS:

- (1) State shall not make the determination in this Paragraph 12 mentioned in the event State and Lessee do not hold sufficient interests in the affected zone or zones to give reasonably effective control of operations therein;
- (2) Upon prior written approval by State, and subject to any conditions therein recited Lessee may initiate, commence and continue either or both of the operations hereinabove stated;
- (3) In the event either or both of such operations are commenced and continued, and whether initiated by State or Lessee, State shall bear Twelve and one-half percent (12½%) of any costs