

25. (PROPOSED LEGISLATION - 1957 SESSION - W. O. 2115.7 (RE P.R.C. 478.1 AND W. O. 2106).) The following report was presented to the Commission:

"By Chapter 647 of the Statutes of 1955, the Legislature granted Inner San Luis Obispo Bay to the Port San Luis Harbor District. The statute provided that certain enumerated leases, whereunder the State leased tide and submerged lands to private parties, were given to the Harbor District with the grant.

"Through an inadvertence, Lease P.R.C. 478.1, which covers a right-of-way easement to the Union Oil Company for the installation and maintenance of cathode protection for its submerged pipelines in the Bay, was not included in the grant. This lease results in revenue to the State in the amount of \$40.70 per annum, and it expires November 21, 1964.

"In view of the attitude of the State Legislature in giving to the District the State leases on the lands that were granted to the Port San Luis Obispo Harbor District by Chapter 647 of the Statutes of 1955,"

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

THE STAFF IS AUTHORIZED TO PREPARE AN AMENDATORY BILL TO CHAPTER 647 OF THE STATUTES OF 1955 WHICH WILL PROVIDE THAT LEASE P.R.C. 478.1 AND ITS REVENUE SHALL LIKEWISE BE GRANTED TO THE HARBOR DISTRICT, THE EFFECTIVE DATE OF THE TRANSFER TO BE NOVEMBER 21, 1957.

26. (1957 SESSION LEGISLATION - W. O. 2115.8.) The following report was presented to the Commission:

"The Commission has had difficulties in processing leases under the Cunningham-Shell Tidelands Act of 1955, particularly with regard to the classification of lands as being within a known geologic structure of a producing oil or gas field vs. being in wild-cat areas. It is suggested that at the next regular session of the Legislature the provisions of the Cunningham-Shell Act be amended so as to make it clear in the statute that the royalty determination is to be made by the Commission, at the time of advertising for bids, irrespective of whether the lands to be leased are or are not within a known geologic structure of a producing oil or gas field. With this in mind, it is suggested that the Commission authorize the staff, on its behalf, to have legislation introduced to amend the following sections of the Public Resources Code as indicated:

"Section 6827. Award to highest bidder: Term: Royalties.

"(Award to highest bidder: Term: Extension.) Leases for the extraction and removal of oil and gas deposits may be made by the commission to the highest qualified bidder, or joint bidders, as provided in this chapter. Such a lease shall include all oil