

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Capitol, Sacramento, at 10:00 o'clock A. M., January 16, 1941.

Present were:

George Killion, Chairman,
Ellis E. Patterson, Member,
Harry B. Riley, Member.

Absent was:

None.

At the direction of the Chairman, the Executive Officer read opinion of the Attorney General dated January 15, 1941, with reference to the power of the Commission or the Director of Finance to issue a gas pipe line easement to the Calaveras Cement Company, a corporation, in accordance with form proposed by it. After reading of the application, the Executive Officer was directed to file said opinion.

Walter W. Bradley, State Mineralogist, appeared at the request of the Commission to discuss feasibility of employment of a mining engineer to check public lands under the jurisdiction of the Commission and determine whether such lands contain minerals in commercial quantities. Mr. Bradley stated in his opinion that such an examination and report would prove profitable to the State of California, and urged the Commission either to employ a mining engineer or to enter into a contract with the State Mineralogist whereby he would employ such mining engineer and conduct the examination and made report to the Commission.

On motion of Mr. Patterson, seconded by Mr. Riley, and un-animously carried, a resolution was adopted authorizing and empowering the Executive Officer to prepare form of agreement for the period of one year for consideration of the Commission, whereby the State Mineralogist would employ from the civil service list a District Mining Engineer at the minimum salary, which employee would work under the direction of the State Mineralogist and examine lands contained in list or lists furnished by the State Lands Commission, and such engineer would, from time to time, report through the State Mineralogist to the State Lands Commission. As compensation, the State Lands Commission would pay to the State Mineralogist actual salary of the engineer and his necessary traveling expenses.

Mr. M. E. Frazier, President of Beloil Corporation, Ltd., a corporation, grantee of certain easements at Huntington Beach, appeared before the Commission to obtain consent to redrill two wells described in Agreements for Easements Nos. 318 and 319, Huntington Beach. Mr. Frazier's statement follows:

"This request we are asking the Commission to consider is identically similar to the one you granted the Macroo well on their Smith No. 1 well at Huntington Beach. At that time you requested they get the consent of the Superior Oil Company, who at that time owned the Jones No. 1 well

which we are asking to redrill, Smith No. 1 is the only well within a radius of 200 feet of wells we are asking to redrill. We wouldn't be interfering with any other well - wouldn't be asking the Commission to do anything they have not done heretofore. The reason for asking to redrill the wells is that one pipe is bad. We can't touch the intermediate well at all. We are down to ten barrels a day of production. It would be of advantage to both you gentlemen and ourselves to go ahead and do this work. It will cost between \$25,000 and \$30,000 to complete this job, which we hope we will both benefit from. We have the consent of the Macro Oil Company, who own the Smith well. The Commission has heretofore given Macro Oil Company permission to redrill the well. It was filed by Mr. Vickers, President of the Macro Oil Company. We have a copy of the letter on file.

"Mr. Robert Garrison who is a petroleum engineer, and has been connected with the drilling of most all tideland wells in Huntington Beach, and who was the petroleum engineer in charge of the redrilling of Macro's Smith No. 1 well has informed me that the redrilling of either of the wells that we are requesting to redrill would not interfere with any well in place now or would not interfere with the Smith No. 1 well of the Macro Oil Company."

The Chairman then stated that in his opinion it would be desirable to withhold action until the Commission received the engineer's report and that the matter could be decided after the Commission had studied the report. This procedure was agreeable to Mr. Frazier.

There being no further business to come before the Commission, the meeting was adjourned.