

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento, December 30, 1942, at 10:30 A. M.

Present

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

Absent

None.

Minutes of the two meetings of the Commission held in Sacramento on November 30, 1942, were, upon motion of Mr. Patterson, seconded by Mr. Riley, unanimously approved and confirmed as submitted.

The U. S. Army acting through Lt. T. H. Mitchell presented a request upon behalf of the Federal Government for a survey and construction permit covering State owned tidelands on the New York Slough adjacent to the City of Pittsburg for the construction of a large wharf. After presentation and discussion, a resolution was unanimously adopted upon the motion of Mr. Riley, seconded by Mr. Patterson, that such permit (No. 78, Public Resources Code) be granted for a period of ninety days and the Executive Officer was instructed to execute the same. Lt. Mitchell reported that formal application for a lease covering such lands and for the contemplated use would be filed in the immediate future.

Upon motion duly made and carried a resolution was adopted conditionally approving the 28th revision of the allotment of the State lands to Exhibit "A" under Agreement for Easement No. 415, Rio Vista, subject to the changes which will result from the adjustment of the basic acreage figures to be agreed upon with respect to the 11th and 12th revisions, and further subject to the extension to April 1, 1943, of the time within which formal objection may be made to the 11th to 27th revisions, inclusive, of the State's percentage allotment.

Upon motion of Mr. Patterson, seconded by Mr. Riley, and unanimously carried, a resolution was adopted ratifying and approving the readvertising of certain property east of 23rd Street, Huntington Beach, in words and figures as follows, to wit:

NOTICE OF INTENTION OF THE STATE LANDS COMMISSION TO RECEIVE
OFFERS TO ENTER INTO A LEASE FOR EXTRACTION OF OIL,
GAS AND OTHER PRODUCTS, FROM CERTAIN SUB-
MERGED LANDS OF THE STATE OF CALIFORNIA
SITUATE IN ORANGE COUNTY, CALIFORNIA.

Notice is hereby given by the State Lands Commission, acting pursuant to the provisions of Division 6 of the Public Resources Code of intention to enter into a lease for the purpose of extraction of oil, gas and other products from that certain tract of tideland and submerged land situate in the County of Orange, State of California, more particularly described as follows:

Beginning at the intersection of the line of ordinary high water of the Pacific Ocean with the extension southerly of the westerly line of Eighth Street, Huntington Beach; thence from said point of beginning southerly along the extension of the westerly line of Eighth Street 5280 feet; thence westerly at a right angle to the last mentioned course 2400 feet more or less; thence northerly parallel to the extension southerly of the westerly line of Eighth Street 5385 feet more or less to the line of ordinary high water; thence easterly along the line of ordinary high water to the point of beginning, containing 297 acres more or less.

The Director of Industry Operations, War Production Board, has authorized the use of the material required for the drilling and completion of one directionally drilled well on a 40 acre drilling unit within the exterior limits of the tract as described.

Each bidder, as a condition precedent to the consideration of his bid, in addition to other qualifications contained in Division 6 of the Public Resources Code shall present at the time of delivery of the bid to the State Lands Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way northerly of the ordinary high water mark of the Pacific Ocean and between the easterly line extended of Tenth Street and the westerly line extended of the alley between the parallel to Fifteenth Street and Sixteenth Street in the townsite of Huntington Beach, Orange County, California, without cost or obligation to the State, for all operations contemplated under the provisions of the form of bid, and any bid not accompanied by such evidence will be rejected by the Commission.

Evidence of the present ability of a bidder to furnish all necessary sites and rights-of-way for the operations contemplated under the provisions of the form of lease shall include the following:

(1) The owner or owners of the real property situate northerly of the high water mark of the Pacific Ocean and between the easterly line extended of Tenth Street and the westerly line extended of the alley between and parallel to Fifteenth Street and Sixteenth Street, Huntington Beach, shall execute the endorsement on said lease acknowledging that the bidder has been granted all necessary sites, rights-of-way and easements; and

(2) Bidder shall transmit to the Commission with the bid either an instrument or instruments, or certified copies thereof, vesting in the bidder such sites, rights-of-way and easements, or certified copies of such instrument or instruments, together with the affidavits of the owners of the property situate northerly of the ordinary high water mark of the Pacific Ocean and between the easterly line extended of Tenth Street and the westerly line extended of the alley between and parallel to Fifteenth Street and Sixteenth Street, Huntington Beach, that the original copies of such documents, have been placed in escrow to be delivered to the bidder in the event the bid is accepted.

The findings of the Commission whether a bidder has the present ability to furnish all necessary sites and rights-of-way for all operations contemplated under the lease for which bids were submitted shall be final and conclusive.

Each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the State of California in the sum of \$2,500.00 as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidders. Should the successful bidder fail or refuse to execute the lease within fifteen (15) days of the award thereof by the Commission and fail to file with the Commission a good and sufficient corporate surety bond in the penal sum of \$10,000, deposit shall be forfeited to the State of California; otherwise the amount of said deposit shall be applied upon the annual rental for the first year, and the balance, if any, refunded to the grantee.

All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to the State Lands Commission, Room 302 State Building, Los Angeles, on or before 10 A. M., of the 14th day of January, 1943. Upon the sealed envelope containing such bid shall be written "Bid of (name of bidder) made pursuant to the notice of intention of the State Lands Commission to enter into a lease for extraction of oil, gas and other hydrocarbons from submerged lands in the County of Orange, State of California."

Bids received pursuant to this notice will be opened publicly at 10 A. M. January 15, 1943, in Room 302, State Building, Los Angeles, or at such later time and date as the Commission shall determine.

Form of bid entitled "Oil and Gas Lease No. _____, Huntington Beach," may be obtained at the office of the Commission, Room 302, State Building, Los Angeles, California.

A map showing the area hereinbefore described may be inspected in Room 302, State Building, Los Angeles, California.

The State Lands Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION

By J. M. CLIFFORD,
Executive Officer,

By J. Stuart Watson,
Acting.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted declining to accept the quitclaim deed submitted by the K. P. H. Royalty Company, Ltd., surrendering to the State of California the right, title and interest of said company in former State Oil and Gas Lease No. 82, and confirming notice of the Executive Officer that the acknowledgment of receipt of said deed must not be construed as an acceptance of said deed.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted approving the drilling of Well 56-5 as proposed in application of the Honolulu Oil Corporation, Ltd., submitted to the office of Petroleum Coordinator for War on November 25, 1942, in accordance with the terms and conditions of State Oil and Gas Lease No. 56 and the rules and regulations of the Commission.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, resolutions were adopted as follows:

(a) Declining to accept the offer of Emmon Drake to purchase for \$69.56 the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 16, T. 31 S., R. 46 E., M. D. M., San Bernardino County, such decision being made without prejudice to the filing of another application;

(b) Declining to accept the offer of Frank J. Hill to purchase the S $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 16, T. 15 S., R. 28 E., M. D. M., Tulare County, for the sum of \$5.00 an acre, inasmuch as such sale would be contrary to the policy of the Commission relating to the disposition of vacant State school land;

(c) Declining to sell to Dale Sprung the S $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 36, T. 4 N., R. 2 E., S. B. M., San Bernardino County, for the sum of \$160.00, inasmuch as such sale would be contrary to the policy of the Commission relating to the disposition of vacant State school land.

Upon motion of Mr. Patterson, seconded by Mr. Riley, and unanimously carried, a resolution was adopted authorizing the acceptance of the sum of \$197.57 as payment for the State owned portion of the 19,296.25 acres of land in San Diego County (SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 3, T. 15 S., R. 2 W., S. B. M.) covered by a condemnation suit instituted by the Federal Government.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted approving a mutual modification of Lease No. 50, Public Resources Code, heretofore awarded to Tular E. Warner covering certain lands in Stanislaus County by striking out Paragraph 2 (b) and inserting in lieu thereof, the following:

"To commence and prosecute thereafter with reasonable diligence the extraction and sale of said mineral deposit, as a part of an orderly program to mine the entire deposit of gold and other metallic minerals in lands adjoining the lands herein described as well as in the lands herein described, and to complete at least 1,000 shifts upon such program each and every year during the term of this lease, and during any extension thereof (a shift is hereby defined to be the work of one man for a day of at least eight hours)."

and adding Paragraph 8 (a) as follows:

"Nothing herein contained shall be construed as jeopardizing or otherwise affecting any rights which the Lessee may now have to the surface of Parcel 3, Tracts 1, 2, 3 and 4, under the deed thereto from the State of California to the Lessee dated June 30, 1938, and recorded in the office of the Recorder of said County of Stanislaus in Volume 659 at page 37 of Official Records."

The resolution further provided for the confirming of the two extensions heretofore granted Mr. Warner for the submission of necessary documents in connection with this lease.

Upon motion duly made and carried, a resolution was adopted authorizing the exchange under Section 8 of the Taylor Grazing Act with the Department of the Interior of school land in the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 16, T. 5 S., R. 16 E., S. B. M., Desert Center, Riverside County, for Federal lands to be selected.

Upon motion duly made and carried, a resolution was adopted confirming the amount of the application (No. 034260) for exchange with the Federal Government under Section 8 of the Taylor Grazing Act, as follows:

The State has selected the NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 17, T. 33 N., R. 10 W., M. D. M., Trinity County, containing 200 acres.

Upon motion duly made and carried, a resolution was adopted cancelling State Mineral Prospecting Permit No. 65, Public Resources Code, which had been awarded to A. R. Contreras and Ed. D. Hodges, because of failure to file the acreage fee of \$1.00 per acre and the necessary surety bond.

Upon motion duly made and carried, a resolution was adopted authorizing the execution of a contract with the Division of Highways to provide for the expenditure of a sum not to exceed \$170.00 to cover a survey for the location of a seawall constructed by the Southern Pacific Railroad immediately west of Summerland, Santa Barbara County, with relation to the ordinary high water mark adopted in 1930 by the Supervisors of Santa Barbara County.

Upon motion of Mr. Patterson, seconded by Mr. Riley, resolutions were adopted approving contracts and leases as follows:

(a) With A. B. C. Typewriter Company for a period of one year covering monthly servicing of two typewriters in the Los Angeles office of the Commission for the sum of \$.50 per machine per month;

(b) With Monroe Calculating Machine Company for the period of one year covering quarterly servicing of one calculator in the Huntington Beach office of the Commission, for the sum of \$6.00 per quarter;

(c) With the Insurance Commissioner as Conservator of the Benjamin Franklin Assurance Company covering the rental of two rooms for the use of our Santa Barbara office for a period of one year at a rental of \$25.00 per month;

(d) With Burroughs Adding Machine Company for the period of one year covering bi-annual servicing of one adding machine in the Huntington Beach office of the Commission for the sum of \$13.80 per year.

It was submitted that the Surveyor of Los Angeles County, Mr. Alfred Jones, had requested the State Lands Commission to sponsor a bill in the legislature legalizing the optional use of a plane coordinate system of survey with the Commission, or other proper agency if the Commission declined to act, as the administering agency to the extent required by the bill. After discussion, action thereon was deferred until such time as Mr. Hassler the incoming Director of Finance had an opportunity to consider the proposal, provided that meanwhile the Executive Officer was authorized and instructed to proceed in discussion and negotiations with Mr. Jones and any other interested persons and agencies in the gathering of further data in support of their findings for the presentation of such legislation.

Resolution was adopted upon the motion of Mr. Patterson, seconded by Mr. Wiley, and unanimously carried, that the Lands Commission, acting through the Executive Officer, enter into a contract with the Reclamation Board for the furnishing by the Lands Commission to the Board of copies of measurement and other field reports of operations pertaining particularly to the holdings of the Board within the bounds of the Rio Vista Gas Field.

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