

5. (Award of State Oil and Gas Lease No. P.R.C. 163) Upon motion duly made and unanimously carried, a resolution was adopted accepting the bid of the Signal Oil and Gas Company, and awarding to them a standard lease at a bid factor of 1.10 on approximately 640 acres of tide and submerged lands in the westerly extension of the Huntington Beach Tideland Pool, Orange County. This award was subject to the terms, conditions and requirements outlined in the advertised call for bids, and also the terms, conditions and requirements embodied within the lease agreement form together with the Exhibits.

The award was further subject to the following condition:

All derricks shall be removed from each well site immediately upon the cessation of the drilling of each well drilled into the demised premises. In no event shall such removal be delayed beyond forty-five (45) days from the date of the cessation of the drilling of such well or wells.

6. (State Oil and Gas Lease No. P.R.C. 129) upon motion duly made and unanimously carried, a resolution was adopted granting the Signal Oil and Gas Company a deferment in the drilling requirements under No. P.R.C. 129 until December 15, 1947, subject to the condition that the deferment does not in any manner affect any of the provisions or obligations of said Lease. This deferment is granted inasmuch as the disastrous fire of Well No. 129-2 destroyed all the drilling and surface equipment and replacement of this equipment is not possible immediately.

7. (Easement No. 300) Upon motion duly made and unanimously carried, a resolution was adopted approving the modification of the operating agreement whereby J. H. Marion, Minnie P. Marion, M. A. Machris, Paquita Lick Machris, Maybell Machris, Frank Vessels and Grace M. Vessels are to be substituted for J. H. Marion as Operator of Well No. 4 of Easement Agreement No. 300, subject to the new operators filing with the Commission a continuing corporate surety bond satisfactory to the State in the sum of \$5,000. to guaranty compliance with the terms, conditions and covenants of the Easement insofar as it shall affect Well No. 4 of Easement No. 300.

It is understood that in approving this change of operator all the terms and conditions of said Easement shall remain in full force and effect and that this substitution of operator makes no change in the operator of Well No. 3-A.