

may require the operator to wash the well with light refined oil, such as kerosene distillate, or high gravity crude.

6. (Adoption and Addition of Section "d" of Rule 510 - Regulation C - Accounting for Royalty) Upon motion duly made and unanimously carried, the following amendment to be known as Section "d" of Rule 510 was authorized:

(d) Whenever the State shall invoke Rule 503 (Drilling Fluid Requirements), the operator shall be allowed a credit of twenty-five percent of the volume of any foreign circulating oil used in the drilling of the first well. This credit shall only be deducted from the total number of barrels produced from the well during the immediate thirty-day period following the well's completion.

7. (Adoption and Addition of Section "e" of Rule 510 - Regulation C - Accounting for Royalty) Upon motion duly made and unanimously carried, a resolution was adopted authorizing the following amendment to be known as Section "e" of Rule 510:

(e) Whenever the State shall invoke Rule 504 (Washing Perforations of Producing Wells) and require the operator to use foreign oil to wash perforations of a producing well, the operator shall be allowed credit of fifty percent of the volume of the oil used in such washing as a deduction from the total number of barrels produced from the well during the period of thirty days immediately succeeding such operations. The value of said oil shall be the market price currently being paid for the quality and gravity of the oil so produced from said well.

8. (Pure Oil Company - Lease No. P.R.C. 115) Upon motion duly made and unanimously carried, a resolution was adopted confirming the acceptance by the Executive Officer of the quitclaim tendered by the Pure Oil Company for the Imperial County land described under Lease No. P.R.C. 115. The Executive Officer was further authorized to record said quitclaim with the Recorder of Imperial County in order to remove any record of encumbrance.

9. (State Oil and Gas Leases Nos. P.R.C. 91, 144 and 145) Upon motion duly made and unanimously carried, the Executive Officer was authorized and empowered to grant the State's consent to assignments previously

submitted by the O. C. Field Gasoline Corporation. These assignments convey to the Fullerton Oil Company, as assignee, all of the O. C. Field Gasoline Corporation's interest in Leases Nos. P.R.C. 91, 144 and 145. The Executive Officer was further authorized and instructed to obtain approval by the Attorney General's office of the assignment form and to grant the State's consent to these assignments subject to assumption by the Fullerton Oil Company, as assignee, of all responsibility and compliance with all of the terms, conditions and requirements of each of Leases Nos. P.R.C. 91, 144 and 145; and provided further that the Fullerton Oil Company shall file with the State the required surety bond in accordance with the terms of Leases Nos. P.R.C. 91, 144 and 145. The Commission authorizes such approval without in any way limiting the responsibilities or liabilities of the other partial interests in said Leases.

10. (State Oil and Gas Leases Nos. P.R.C. 144 and 145) Upon motion duly made and unanimously carried, the Executive Officer was authorized and empowered to grant the State's consent to assignments previously submitted by the Beloil Corporation, Ltd. These assignments convey to the Fullerton Oil Company, as assignee, a fifty percent equity in all of the interest of the Beloil Corporation, Ltd. in Leases Nos. P.R.C. 144 and 145. The Executive Officer was further authorized and instructed to obtain approval by the Attorney General's office of the assignment form and to grant the State's consent to these assignments subject to assumption by the Fullerton Oil Company, as assignee, of all responsibility and compliance with all of the terms, conditions and requirements of Leases Nos. P.R.C. 144 and 145; and provided further that the Fullerton Oil Company shall file with the State the required surety bond in accordance with the terms of Leases Nos. P.R.C. 144 and 145. The Commission authorizes such approval without in any way limiting the responsibilities or liabilities of the other partial interests in said Leases.

11. (Oil Purchase Contract - State Oil and Gas Lease No. P.R.C. 91) Upon motion duly made and unanimously carried, a resolution was adopted approving the five year purchase contract dated January 15, 1945, submitted to the Commission and entered into by the Huntington State Company, operator of State Oil and Gas Lease No. P.R.C. 91, with the Wilshire Oil Company. This approval is given subject to the right of the State to serve notice at any time upon the Lessee that the State elects to take its royalty oil in kind, in accordance with the provisions of Lease No. P.R.C. 91.

12. (State Oil and Gas Lease No. P.R.C. 163) Upon motion duly made and unanimously carried, a resolution was adopted approving the acceptance by the Executive Officer of the quitclaim dated January 12, 1945 from the Signal Oil Company. This quitclaim covers approximately .56 acres