The State Lands Commission instructed the Executive Officer to inform Mr. Galloway that they would be willing to receive and consider offers to purchase Chain Island from the State of California, but that any sale would, in accordance with the Statutes, reserve to the State of California all of the minerals, oil or gas contained within the lands.

6. (Hunters' Point Navy Project) Upon motion duly made and unanimously carried, the Commission authorized the Executive Officer to negotiate with Captain Nicolson in an effort to obtain a satisfactory settlement of the problem created by the Navy's requirement that their sub-contractors (Gerwick, Morrison-Knudsen & Twaits) furnish approximately two and one-half million yards of sand for the Hunters' Point Navy project. This sand is to be dredged from certain tide and submerged lands owned by the State of California and under the jurisdiction of the State Lands Commission. The Navy has applied for a permit to remove and redeposit this material which has a value of approximately three cents per cubic yard.

7. (Application for Water Line Permit Across Montezuma Slough - No. P.R.C. 164) Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue to the Standard Oil Company a fifteen year right of way for a pipe line crossing of Montezuma Slough in Solano County upon the following terms and conditions:

(a) Payment by the Standard Oil Company of California of an annual rental of $46.70.

(b) Filing with the Commission of a satisfactory faithful performance bond.

8. (Application of City of San Diego for Construction of a Sanitary Collection Sewer on Tidelands - Mission Bay, San Diego County - No. P.R.C. 171) Upon motion duly made and unanimously carried, the Commission authorized the Executive Officer to execute an agreement with the City of San Diego whereunder the City of San Diego will be permitted to construct a sanitary collection sewer line from Mission Bay to their central city disposal system.