

A meeting of the State Lands Commission was held in Room 306, State Capitol, Sacramento, on May 17, 1945, at 10 A. M.

Present: Honorable James S. Dean, Chairman
Honorable Frederick F. Louser, Member

Absent: Honorable Harry B. Riley. Member

1. Upon motion duly made and unanimously carried, the minutes of the regular meeting of the State Lands Commission held in Sacramento on April 17, 1945, were approved and confirmed.
2. Upon motion duly made and unanimously carried, it was tentatively decided to hold the next meeting of the Commission in Room 306, State Capitol, Sacramento, on June 18, 1945, at 10 A. M.
3. (Seal Beach Area - Orange County) Upon motion duly made and unanimously carried, the Commission deferred until the next meeting action upon the bid submitted by Marine Exploration Company for an oil lease of approximately 1500 acres of tide and submerged lands located offshore from Seal Beach.

A Mr. Cook, representing the Richfield Oil Corporation, requested, and was granted, an appearance before the Commission in connection with this matter. Mr. Cook referred to a letter previously directed to the Commission by Mr. Charles Jones, President of Richfield Oil Corporation, wherein the Commission had been requested to reject all bids submitted pursuant to the advertising of this area. Mr. Cook was informed that the Commission was desirous of obtaining more information in connection with upland drill sites for development of the area, and that they were, therefore, deferring action on awarding of the lease, or rejection of the bid, until the next meeting.

4. (Signal Oil and Gas Company Crude Oil Purchase Contract - No. P.R.C. 163) Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the crude oil purchase contract by and between the Signal Oil and Gas Company and the Standard Oil Company of California. This contract provides for the purchase of all of the crude production from Signal's No. P.R.C. 163 lease at Huntington Beach. The Signal lease with the State provides that the State's royalty thereunder shall be based upon the reasonable market price of the oil as determined by the State, and provides further that such price "shall not be less than the highest price at which a major oil company is buying oil of like gravity and quality at Huntington Beach." Under the lease, the State also reserves the right to take its royalty share of the oil in kind.