

A meeting of the State Lands Commission was held in Room 306, State Capitol, Sacramento, on June 18, 1945, at 10 A.M.

Present: Honorable James S. Dean, Chairman  
Honorable Frederick F. Houser, 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 May 17, 1945, were approved and confirmed.

2. (Marine Exploration Company Bid -- Seal Beach Area - Orange County) Considerable and thorough discussion was had relative to the bid submitted by Marine Exploration Company for an oil lease of the area advertised on March 12, 1945.

The matter of final award was deferred until the next Commission meeting.

3. (Signal Oil and Gas Company Crude Oil Purchase Contract - No. P.R.C. 129) Upon motion duly made and unanimously carried, a resolution was adopted whereunder the Executive Officer was authorized to approve the crude oil purchase contract submitted by the Signal Oil and Gas Company, in accordance with the provisions of their Lease No. P.R.C. 129. The contract provides for purchase of crude production from this lease by the Standard Oil Company of California, at a price equal to the posted price, f.o.b. ship, for the Elwood Field. The contract further provides that the Seller (Signal) may terminate said contract within ten days in the event the posted price is fixed at a figure lower than the present posted price, which is approximately \$1.25 per barrel, depending upon specific gravity of the crude.

Commission approval of this contract shall be subject to the following conditions:

- a. The right of the State, under provisions of the lease, to determine the reasonable market price of crude produced from this lease.
- b. The reservation of the right of the State, in accordance with the provisions of the lease, to take its royalty share of the oil in kind.