26. (Request for Permission to Advertise for Bids for Lease for Extraction of Sand and Gravel - Tide and Submerged Lands, Rockaway Beach, San Mateo County) The Commission was informed that an application had been received for a lease of approximately 7.44 acres of tide and submerged lands near Rockaway Beach, San Mateo County, for the extraction of sand and gravel.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the publication of a ntoice of intention to receive bids for a mineral lease on the area described in the application for the extraction of sand and gravel at a minimum royalty rate of three cents per cubic yard, subject to the specific condition that the Planning Commission of the County of San Mateo does not object to the conduct of the proposed project. Further, the notice is to state that each bidder shall deposit $1,000.00 as evidence of good faith and to defray the cost of advertising and the first year's rental under a lease, and that the successful bidder shall also file with the State a surety bond in the amount of $1,000.00 to guarantee performance under any lease issued.

27. (Modification of Standard Oil Company of California-Pacific Gas and Electric Company Gas Contract for Rio Vista Field, Filed Pursuant to Agreement for Easement No. 415) The Commission was informed that the Standard Oil Company of California, the Lessee under Agreement for Easement No. 415 had submitted a proposed modification of the sales contract with the Pacific Gas and Electric Company for the State's share of gas production in the Rio Vista Field, whereunder the price for gas for the next two years would be fixed at fourteen cents per m.c.f., in comparison with the current price of 12.9167 cents per m.c.f.

The Commission was further informed that under the existing approved contract between the State, Standard, and Pacific Gas and Electric that should the price of fuel oil during the next two years increase to $1.48 per barrel, which condition is very likely, the State would receive fourteen cents per m.c.f. Furthermore, under Paragraph 16 of the existing contract, should the Pacific Gas and Electric Company pay any Rio Vista Field producer fourteen cents per m.c.f. for his gas, the State would likewise receive fourteen cents for its gas; thus, the State is protected should Pacific Gas and Electric agree to pay any Rio Vista operators any higher price.

Upon motion duly made and unanimously carried, a resolution was adopted declining to approve the proposed contract modification at this time.

There being no further business to come before the Commission, the meeting was adjourned.