

A meeting of the State Lands Commission was held in the Chambers of the Board of Supervisors, Santa Barbara Court House, Santa Barbara, on October 29, 1947 at 2:00 P.M.

Present: Honorable James S. Dean, Chairman
Honorable Goodwin J. Knight, Member
Honorable Thomas H. Kuchel, Member.

1. Upon motion duly made and unanimously carried, the minutes of the meeting of the State Lands Commission held in Los Angeles on September 19, 1947 were approved and confirmed as submitted.

2. Upon motion duly made and unanimously carried, the matter of a date for the next meeting of the Commission was deferred for later determination of a specific date during the latter part of November.

3. (Request for Suspension of Drilling Requirements - Honolulu - Signal - Macco, Lease No. P.R.C. 308 - Coal Oil Point Area, Santa Barbara County) The Commission was informed of the request from the Honolulu Oil Corporation for an extension of the authorization to suspend operations in Well 308 - 1 and further drilling, under the terms and conditions of Lease No. P.R.C. 308, as granted by the Commission on September 19, 1947. It was pointed out that the circumstances still applied upon which a suspension was granted of the drilling and operating requirements under Lease No. P.R.C. 308, for a period not to exceed sixty days, to permit the obtaining of additional information resulting from current operations under Lease No. P.R.C. 309 and correlation of all data to provide a foundation for further work. Efforts to obtain such further data have been amplified by the commencement of the drilling of a new well, 309 - 2.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to grant to Honolulu - Signal - Macco a suspension of drilling and operating requirements under State Oil and Gas Lease No. P.R.C. 308, not to extend beyond January 17, 1948.

4. (Authorization for Redrill - Wilshire Oil Company - Agreement for Easement No. 401, Huntington Beach) The Commission was informed of the request received from the Wilshire Oil Company for authorization of the redrilling of Well No. 15 because the well has become mechanically inoperative.

Four other wells, three of which are not under the control of the Wilshire Oil Company, are located within 200 feet of the subject well within the oil sand, and therefore, in accordance with Section 2300 of Regulation C, the proposed redrill could not be authorized normally unless written consents from the operators of each well within said 200 feet, waiving any objection to the proposed redrill operations, were filed in addition to surety bonds indemnifying the State against any loss, damage, claim, demand or action caused by or connected with the redrill operations. However, at the time that Well 401 -15 was originally completed under contract entered into pursuant to bid, no

interference within a radius of 200 feet in the oil sand was known to exist. Correction of erroneous survey data previously filed for Well 280 - 2, subsequent to the drilling of Well 401 - 15, redrilling of Well 300 - 4, and the drilling of Well 409 - 4, not in accordance with the terms of their respective contracts, all resulted in these three wells being located within 200 feet of Well 401 - 15 in the oil sand.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the redrilling and recompletion of Well 401 - 15 of the Wilshire Oil Company under Agreement for Easement No. 401 as proposed, subject to the following conditions:

1. That written consents not be required in accordance with Section 2300, Regulation C, from the Operators of Wells 280 - 2, 300 - 4 and 409 - 4 because of the improper location of these wells resulting from erroneous data filed by the operators thereof or completion in a manner contrary to the individual well contracts and the rules and regulations.
2. That the operators of Wells 280 - 2, 300 - 4 and 409 - 4 be notified of the intention of the Commission to approve the redrilling of Well 401 - 15 without the requirement of any written consent from any of the afore-mentioned operators, and that the redrilling of Well 401 - 15 will be postponed for a period of twenty days to permit the filing of any valid objections.
3. That the Wilshire Oil Company file in accordance with Section 2300 (d) of Regulation C, corporate surety bonds in the amounts of \$25,000.00 for each of the four wells: 275 - 18, 280 - 2, 300 - 4, and 409 - 4 which could be within 200 feet of the redrilling Well 401 - 15 in the oil sand. Such corporate surety bonds are to be conditioned upon the indemnification of the State against any loss, damage, claim, demand or action caused by or connected with the redrilling operations.

5. (Release of Tide and Submerged Lands - War Department - Camp Stoneman, Contra Costa County - Lease No. P.R.C. 78) The Commission was informed of receipt of a Form of Release from the War Department for execution on behalf of the State for the termination of Lease No. P.R.C. 78 on 3.10 acres of State tide and submerged lands near Pittsburg upon which has been erected an embarkation pier as an adjunct to Camp Stoneman, said termination to be effective as of July 1, 1947. Although this land is involved in a condemnation action and discussions have been held for negotiation of a new lease, it was pointed out that the War Department has the option to terminate said Lease No. P.R.C. 78.