

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento, on October 14, 1948, at 10:00 A.M.

Present: Honorable James S. Dear, Chairman
Honorable Thomas H. Kuchel, Member

Absent: Honorable Goodwin J. Knight, Member

1. Upon motion duly made and unanimously carried, the minutes of the meeting of the State Lands Commission held in Sacramento on August 19, 1948, were approved and confirmed as submitted.

2. Upon motion duly made and unanimously carried, it was decided to defer setting of a date for the next Commission meeting.

3. (Request for authority to lease for oil and gas seaward of the Southwest Exploration Company lease at Huntington Beach - Easement No. 392) The Commission was informed that a letter has been received from the Southwest Exploration Company inviting the Commission's attention to their belief that commercial oil production can be obtained seaward of the present boundary of the lease which is one mile offshore from the ordinary high water mark at Huntington Beach and requesting that the Commission ask for bids for a lease of such seaward extension of the Huntington Beach Field.

The Commission was informed that under Section 3 of the stipulation in the case of U. S. v. California, No. 12 Original, dated July 26, 1947, and extended by the stipulation of July 28, 1948, between the Attorney General of the United States and the Attorney General of California, the State with advance approval of the Secretary of Interior shall "call for bids for, and, to the extent permissible under State law, enter into, new leases in cases where it is necessary to do so in order to prevent drainage of oil or gas from tide or submerged lands by wells drilled in other lands, or to protect the respective interests of the parties hereto."

Insofar as the submerged lands immediately seaward of the one mile outer boundary of existing Easement No. 392 are concerned, there is undoubtedly drainage and withdrawal of pressure by existing wells that will adversely affect the ultimate recovery of oil from the unleased area. The shoreward portion of the unleased area can be reached from wells drilled on the upland. Another reason for issuance of a lease is the increasing need for oil in California.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to submit a request in accordance with the stipulations and with supporting technical data to the Department of Interior for approval of a notice to receive bids on an area of submerged lands for a distance of one mile seaward of Easement 392 at Huntington Beach, and further upon receipt of such approval to advertise the area for bids for lease, subject to the reserved right on part of the Commission to reject any and all bids.