

A meeting of the State Lands Commission was held in Room 301 State Building, Los Angeles, on December 10, 1948, at 10:00 A.M.

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

Absent: Honorable Thomas H. Kuchel, Member

1. Upon motion duly made and unanimously carried, the minutes of the meetings of the State Lands Commission held in Sacramento on October 14, 1948, and October 27, 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. The suggestion was made, however, that the meeting should be held in January, and probably in Sacramento.

3. (Approval of Extension of Gas Sales Contract - Signal Oil and Gas Company - Leases Nos. 98 and P.R.C. 208 - Elwood) The Commission was informed that on October 14, 1948, Minute Page 891, Item 6, the Commission authorized the Executive Officer to approve the extension of July 19, 1948 of the gas sales contract by and between the Signal Oil and Gas Company and the Southern Counties Gas Company, covering the sale of gas from Lease No. P.R.C. 129 at Elwood, Santa Barbara County, The Signal Oil and Gas Company, as lessee of the adjoining leases Nos. 98 and P.R.C. 208, has requested the extension of the approval of the Commission to the gas sales contract to cover the sales of gas from said leases. Extension of the contract provides for the sale of gas during the period beginning August 1, 1948 and ending July 1, 1950, and in consideration of the extension, the price of gas which is now fixed at 9 cents per m.c.f. plus a compression charge of 2 cents per m.c.f. is to be increased to 11 cents per m.c.f. plus a compression charge of 2 cents per m.c.f.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve extension of the July 19, 1948 Gas Sales Contract between the Signal Oil and Gas Company and the Southern Counties Gas Company as submitted by Signal Oil and Gas Company for approval, pursuant to the provisions of Leases 98 and P.R.C. 208, subject to the condition that these approvals are not to be considered in any manner modifying the right of the State at its option to take its wet or dry royalty gas, natural gasoline and any other products in kind.

4. (Request to the Board of Control for Discharge from Accountability - Easements No. 291, 326, 351, \$16,848.22 - Our W.O. No. 268) The Commission was informed that for several years the Commission has been carrying on its records Accounts Receivable as follows:

Easement 291 - Mar Rico Oil Company	\$3,274.98
Easement 326 - Elyod Oil Corporation	3,866.41
Easement 351 - Bestmi Petroleum Corp.	9,706.83

representing balances of deferred royalties due the State under settlements made in March of 1934 with operators in the Huntington Beach area. By letter dated October 27, 1948, the Attorney General advised the Commission that these accounts are uncollectible. He further advises that they were subject of the following actions commenced by the Attorney General on behalf of the Commission: People vs. McKeon, et. al., L.A. No. 475,228 (AGO:H212) Filed 4-9-42; People vs. Bestmi et. al.,

ange No. 34013 (AGO: L 224) Filed 11-16-38, and People vs. Miller, et al., L.A. No. 472,606 (AGO:6425) Filed 1-27-42. In the first two actions the State was unsuccessful. The Miller case was dropped from the calendar March 27, 1944 and has not been prosecuted for want of proof, because of the McKeon decision. In view of the foregoing, it appears that the accounts are uncollectible and that discharge from accountability, therefore, should be sought pursuant to Section 13942, Government Code.

Upon motion duly made and unanimously carried, a resolution was adopted approving a request to the State Board of Control for the Discharge of Accountability for the following receivable items: Easement 291, Mar Rico Oil Company, \$3,274.98; Easement 326, Elyod Oil Corporation, \$3,866.41; Easement 351, Bestmi Petroleum Corporation, \$9,706.83. Such request to be accompanied by a copy of the Attorney General's letter relating to the uncollectibility of the accounts, and that upon the granting of the request, these receivables be removed from the records of the State Lands Commission with proper explanation.

5. (Approval of Oil Sales Contract - Charles W. Camp - Agreement for Easement No. 295, Huntington Beach) The Commission was informed that Charles W. Camp, lessee under Agreement for Easement No. 295, Huntington Beach, has submitted for approval an oil sales contract between Charles W. Camp and the Century Oil Company, as provided by Section 2C of said agreement for easement. The contract provides for the sale of all oil produced under Agreement for Easement No. 295 to the Century Oil Company at the posted prices offered by the Standard Oil Company of California to other producers in the Huntington Beach field for oil of like gravity and quality, for a term of 32 months commencing October 1, 1948.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the Oil Sales Contract of October 26, 1948 between Charles W. Camp and the Century Oil Company as submitted by Charles W. Camp pursuant to the requirements of Agreement for Easement No. 295, subject to the condition that the approval is not to be considered as in any manner modifying the terms and conditions of Agreement for Easement No. 295, or the right of the State at its option to take oil royalty or royalty on any other products in kind.

6. (Offshore Geophysical Exploration Operations - W.O. 354) The Commission was informed that on October 14, 1948, Minute Page 893, Item 11, pursuant to objections of the Shell Oil Company, Inc., applicant for geophysical exploration permit under W.O. 353, authorized the rescission of that portion of the action of August 19, 1948, Minute Page 873, Item 3, requiring that all data received by the applicant from the geophysical exploration contractor be made available for review to designated representatives of the State Lands Commission. In consideration of this amendment of the policy alternative proposals for the conduct of future tide and submerged land exploration operations are now suggested:

1. That the State Lands Division participate in any joint exploration program on a cost sharing basis equal with all other participants, thereby becoming entitled to an equal distribution of the basic data secured by the geophysical exploration contractor. The availability of such information as public record in the State Lands Division, would, of course, elicit serious objections from the balance of the participants in the project.
2. That the State Lands Division contract independently for the conduct of geophysical exploration work in the most prospective areas or those in which specific interest is shown and make all data available as public record at the time Notice of Intention to Receive Bids for a particular area is published.