7A. (Proposed Revision of Gas Sales Contract - Agreement for Easement No. 415 - Standard Oil Company f California - Rio Vista - W.O. 465) The Commission was informed that a request had been received from the Standard Oil Company, lessee under Agreement for Easement No. 415, Rio Vista, for approval of a modification to the gas sales contract of May 16, 1940 between Standard Oil Company and the Pacific Gas and Electric Company, covering the sales of gas produced from State lands in the Rio Vista Gas Field. The request for the revision of the contract is based on the contention that gas prices should "continue to be related to the grade of fuel oil originally intended by the parties, which is the heavy bunker grade used by large industrial consumers," irrespective of the fact that the approved existing contract calls for payment on an escalator contract based on P.S. 400 grade of fuel oil.

A discussion was had, during which Lieutenant Governor Knight read excerpts from letters he had received from Messrs. Moulton and Anderson representing Pacific Gas and Electric Company, wherein a postponement was requested on the theory of a Public Utilities Commission finding. Mr. Hortig had been in attendance at the hearing of the Public Utilities Commission and reported it was a recommendation and not a finding. Colonel Putnam advised that Standard Oil Company is in arrears in payment of their royalties, and suggested that the matter be deferred, subject to their paying their bills according to the interpretation of the State Lands Commission. Mr. Dean suggested that they should be given a hearing and the whole matter deferred until the next meeting.

Upon motion duly made and unanimously carried, a resolution was adopted deferring action and authorizing the Executive Officer to arrange a hearing at the next Commission meeting, with the understanding that Standard pay their outstanding obligations to the State based upon the interpretation of the State Lands Commission. The Commission further directed that an advice be obtained from the Attorney General as to whether a Public Utilities Commission ruling can affect a State Lands Commission approved contract.

8. (Pioneer Rubber Mills - Survey of Mean High Tide Line - New York Slough, Contra Costa County - W.O. 24, P.R.C. 245) The Commission was informed that on August 22, 1946 it authorized the issuance of a lease to Pioneer Rubber Mills of a strip of land 100 feet in width in New York Slough in front of and adjacent to land owned by that company, but due to lack of information as to the position of the mean high tide line, it was deemed necessary to make a survey. Such a survey was made, plat prepared, and an agreement on the boundary negotiated.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the execution of an agreement of arbitration between the State and the Pioneer Rubber Mills pursuant to Sec. 6357, Public Resources Code, which sets forth the boundary of State sovereign land at the mean high tide line of New York Slough adjacent to the lands of Pioneer Rubber Mills as surveyed in May, 1947.

9. (Application to Construct a Revetment - Anaheim Bay, Orange County - City of Seal Beach - P.R.C. 112) The Commission was informed that on October 6, 1943 the Commission approved the application of the City of Seal Beach to construct a revetment in Anaheim Bay, Orange County. Before construction was started, the Navy took over and built the Naval Ammunition and Net Depot there.

Upon motion duly made and unanimously carried, a resolution was adopted rescinding its action of October 6, 1943 wherein the application of the City of Seal Beach to construct a revetment in Anaheim Bay, was approved and later assigned No. P.R.C. 112.