

Excerpt from Minutes of
Meeting held Dec. 21, 1949
at Sacramento

4. If all bids were to be rejected at the present time, and lands condemned for availability to all bidders, there is no assurance, of securing in the future a net advantage or even equally favorable royalty to the State.

5. The bid of the Signal Oil and Gas Company is comparatively favorable inasmuch as, despite higher lease development costs, the offer equals the bid on which the adjoining inshore parcel was leased.

There are three alternatives that may be considered by the Commission:

1. Accept the Signal Oil and Gas Company bid.
2. Accept the Union - Shell offer because it is the highest. This will require the State to condemn rights-of-way for access and pipe lines etc. to drill sites to be made on filled-in tidelands or condemned uplands.
3. Reject all bids, proceed under eminent domain to acquire all necessary sites, and re-offer oil and gas leases complete with all necessary operating sites and access, for bid.

Upon motion duly made and unanimously carried, a resolution was adopted deferring decision on award of a lease and taking the award under advisement, pending receipt from the Attorney General of formal opinion on (1) which bids qualify under the Commission's Notice of Intention to Receive Bids, and (2) whether the Commission has adequate powers of eminent domain for the acquisition of necessary sites and rights-of-way, and (3) whether the Commission may obtain immediate possession of drill sites through condemnation.

22. (P.R.C. 389 - Standard Oil Company of California - Revision of Minutes of December 10, 1948) The Commission was informed that Item 10 of the Minutes of December 10, 1948, was in error in so far as the recited county was concerned, the area approved for lease being in Yolo County rather than Sacramento County.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing that the Minutes of December 10, 1948, Item 10, be revised, striking Sacramento County and substituting Yolo County therefor, and that the Executive Officer be authorized to amend Lease No. P.R.C. 389, issued to Standard Oil Company of California, accordingly.

23. (The River Lines, Inc. - Application for lease of tide and submerged lands in Sacramento River, Yolo County - W.O. 447 - P.R.C. 490) The Commission was informed that the River Lines, Inc., has applied for lease of 0.329 acre of tide and submerged lands in Sacramento River at Broderick, Yolo County. The latter company has granted permission to the River Lines to lease the area desired from the State for the installation and use of mooring dolphins. United States Engineer Department permit has been granted. Area of the desired lease is so small that the minimum annual rental of \$50.00 applies.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue to the River Lines, Inc., a lease of 0.329 acre of tide and submerged land in Sacramento River at Broderick, Yolo County, for a period of fifteen years at an annual rental of \$50.00 with right of renewal for an additional ten years, to be used for the installation, maintenance and use of mooring dolphins, bond in the amount of \$1,000.00 to be furnished,