

The Pacific Gas and Electric Company has made an offer of \$3,200.00 or \$5.00 per acre. The Assessor of Kern County has assessed contiguous land at \$1.25 per acre, thus indicating an appraised value of the land of \$2.50 per acre. An appraisal by the Commission's staff indicates that the offer as made is adequate.

A highway passes through the $S\frac{1}{2}$ of the section, which is approximately six miles north and four miles east of Muroc, the boundary of Muroc Bombing and Gunnery Range is about four miles south of the south boundary of the subject land.

The land is practically level; the soil is silty sand; the cover is sagebrush with scattering Joshua trees; there is no indication of water or mining, and without water the land has no agricultural value and very little, if any, grazing value.

The land was advertised for sale with a stipulation that no offer of less than \$3,200.00 would be accepted. The Pacific Gas and Electric Company bid \$3,200.00.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE OF SECTION 36, T. 11 N., R. 9 W., S.B.M., TO THE SINGLE BIDDER THE PACIFIC GAS AND ELECTRIC COMPANY AT A CASH PRICE OF \$3,200.00, SUBJECT TO ALL STATUTORY RESERVATIONS, INCLUDING MINERALS.

9. (SALE OF VACANT STATE SCHOOL LAND, APPLICATION NO. 10471, LOS ANGELES LAND DISTRICT, VENTURA COUNTY, HAROLD L. PIERCE - SAC. W.O. 5235) The Commission was informed that on August 19, 1948, pursuant to application from Mr. Harold L. Pierce to purchase Lots 9, 10, 11 and 12 of Section 16, T. 4 N., R. 20 W., S.B.B. & M., containing 152.90 acres in Ventura County, for \$764.50, the Commission authorized the following action by the Executive Officer (Minute Pg. 887, Item 41):

1. Withdraw Lots 9, 10, 11 and 12 of Section 16, T. 4 N., R. 20 W., S.B.B. & M., containing 152.90 acres in Ventura County from the vacant State school land list, and defer the disposition of the area pending further development on adjoining land and evaluation of the productive potentialities of the State land.
2. Upon determination that the subject lands probably contain commercially valuable deposits of oil or gas, offer the lands for lease in accordance with the Public Resources Code and the established rules and regulations, or
3. Upon determination that the subject lands probably do not have productive potentiality for oil or gas, relist the subject area as vacant State school land for sale and accept an application from Mr. Harold L. Pierce, to purchase the land if he so desires at such time, as the first applicant."

Application has again been received from Mr. Harold L. Pierce to purchase the land under condition 3 above. There has not been sufficient exploration or development on adjoining lands to permit determination that the subject lands probably do not have productive potentialities for oil and gas. However, to assure complete freedom of operation by the State in the event that future oil and gas operations on the land might be desirable, Mr. Pierce as a condition of his application has agreed to reservation by the State of surface drilling rights on the $W\frac{1}{2}$ of the $W\frac{1}{2}$ of Lot 12, and the $E\frac{1}{2}$ of the $E\frac{1}{2}$ of Lot 9. Such surface areas should be adequate for any complete oil production program in the future.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE OF LOTS 9, 10, 11 AND 12 OF SECTION 16, T. 4 N., R. 20 W., S.B.B. & M., CONTAINING 152.90 ACRES IN VENTURA COUNTY, TO MR. HAROLD L. PIERCE AT A CASH PRICE OF \$764.50, SUBJECT TO ALL STATUTORY RESERVATIONS INCLUDING MINERALS, AND FURTHER

SUBJECT TO THE RESERVATION TO THE STATE OF THE RIGHT TO DEVELOP AND PRODUCE OIL AND GAS IN SAID LOTS 9, 10, 11 AND 12 FROM THE SURFACE OF THE W $\frac{1}{2}$ OF THE W $\frac{1}{2}$ OF LOT 12 AND THE E $\frac{1}{2}$ OF THE E $\frac{1}{2}$ OF LOT 9, SECTION 16, T. 4 N., R. 20 W., S.B.B. & M.

10. (EXTENSION OF OIL AND GAS LEASE 48 (303-1921), GENERAL PETROLEUM CORPORATION, RINCON OIL FIELD, VENTURA COUNTY - W.O. 660, P.R.C. 427) The Commission was informed that an application has been received from the General Petroleum Corporation of California, a Delaware Corporation, for renewal and extension of Oil and Gas Lease No. 48 (303-1921), Rincon Oil Field. This lease was issued May 19, 1930, to the General Petroleum Corporation for an initial period of twenty years and provides for extensions of additional periods of ten years under such reasonable terms and conditions as the State may determine and the law may provide at the time of renewal. It is proposed that the renewal and extension be issued in the form attached which is identical as to all terms and conditions with the form of renewal and extension approved heretofore by the Commission (Minute Pg. 1065, Item 13) with the exception that in this case the amount of required performance bond is specified at \$120,000.00. The extension of the lease has been reviewed as to form by the office of the Attorney General.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE TO THE GENERAL PETROLEUM CORPORATION, A TEN YEAR RENEWAL AND EXTENSION EFFECTIVE MAY 19, 1950, FOR STATE OIL AND GAS LEASE 48 IN THE FORM PROPOSED HERETOFORE APPROVED, AND REQUIRING THE FILING OF A \$120,000 PERFORMANCE BOND, SUBJECT TO NOTICE TO THE DEPARTMENT OF INTERIOR, AND THE PROVISIONS IF ANY, OF THE STIPULATION ENTERED INTO BETWEEN THE ATTORNEY GENERAL OF THE UNITED STATES AND THE ATTORNEY GENERAL OF CALIFORNIA, DATED JULY 26, 1947, AS EXTENDED IN 1948 AND 1949.

11. (REQUEST FOR APPROVAL OF CRUDE OIL SALES CONTRACT, HONOLULU OIL CORPORATION, LEASE P.R.C. 422, W.O. 583) The Commission was informed that Section 15 of Oil and Gas Lease Extension and Renewal P.R.C. 422, Elwood Oil Field, Honolulu Oil Corporation, provides in part that "the lessee shall not sell or otherwise dispose of the products produced hereunder except in accordance with such sales contract or other methods first approved in writing by the State."

A request has been received from the Honolulu Oil Corporation and the Standard Oil Company of California, as seller and buyer under a crude oil sales contract, dated November 15, 1949, for approval of said contract as to all oil produced under Oil and Gas Lease P.R.C. 422.

The general terms and conditions of said contract are those which have applied to all crude oil sales by the Honolulu Oil Corporation, at Elwood, since the issuance on October 23, 1929, of the original lease preceding Lease P.R.C. 422, with the exception that the new contract is subject to cancellation by either party upon written notice of one day.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO APPROVE THE CRUDE OIL SALES CONTRACT OF NOVEMBER 15, 1949, BETWEEN THE HONOLULU OIL CORPORATION AND THE STANDARD OIL COMPANY OF CALIFORNIA, AS THE BASIS FOR SALE AND DELIVERY BY THE HONOLULU OIL CORPORATION OF ALL OIL PRODUCED UNDER OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 422, DATED OCTOBER 23, 1949.