

decimal point having been misplaced, and that his client actually was the high bidder according to the intent of his bid.

Although the royalty bid factor in Mr. Lopes' bid was shown as 52.15%, which was interpreted to mean a bid factor of 0.5215, Mr. Kennedy claims that the amount his client intended to bid was the amount shown in an accompanying letter as a fixed royalty (not bid factor) of 52.15%.

Mr. Hertig pointed out that the call for bids clearly stated that they must be submitted on the form specified, that it would not be possible to compare the two bids if Mr. Lopes' actually intended to bid a fixed royalty of 52.15%, and that any bid in a letter or in addition to that shown on the bid form technically could not be considered.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED REQUESTING AN OPINION BY THE ATTORNEY GENERAL AS TO THE LEGAL TECHNICALITIES INVOLVED IN ACCEPTING OR REJECTING EITHER OF THE BIDS.

22. (PROPOSED GAS LEASE, TIDE AND SUBMERGED LANDS IN BEDS OF NAVIGABLE RIVERS, SACRAMENTO AND SAN JOAQUIN COUNTIES, PARCEL "B" - W.O. 478, P.R.C. 714.) Pursuant to a published Notice of Intention to receive bids for a lease for the production of gas from State lands in the River Island Gas Field Area, as authorized by the Commission on February 6, 1951 (Minute Page 1270, Item 9), one bid has been received for gas lease on those lands described as Parcel "B", W.O. 478. The only bidder, the Brazos Oil and Gas Company of Houston, Texas, has qualified on all requirements specified by the call for bids. A royalty bid factor of 2.08 has been offered for the lease.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE A GAS LEASE TO THE BRAZOS OIL AND GAS COMPANY FOR THOSE TIDE AND SUBMERGED LANDS IN THE COUNTIES OF SACRAMENTO AND SAN JOAQUIN DESCRIBED AS PARCEL "B", W.O. 478, AT A ROYALTY BID FACTOR OF 2.08, FOR A TERM OF TWENTY YEARS AND FOR SO LONG THEREAFTER AS GAS IS BEING PRODUCED IN PAYING QUANTITIES, SUBJECT TO THE DEPOSIT BY THE LESSEE OF THE PERFORMANCE BOND OF \$25,000.

23. (APPLICATION FOR ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 186, MARINE EXPLORATION COMPANY, ORANGE COUNTY.) Lease P.R.C. 186, issued September 24, 1945, to the Marine Exploration Company for a term of 20 years, provides that the lease may not be assigned, transferred or sublet, except with the written consent of the State and then only to a person, association of persons, or corporation which at the time of the proposed assignment, transfer or sublease possesses the qualifications prescribed by Division 6 of the Public Resources Code. Should the State consent in writing to the assignment, transfer, or subletting of the lease, the lessee shall continue to assume, during the term of the lease or any extension thereof, jointly with any assignee, transferee or sublessee, responsibility for compliance with all of the terms, covenants, conditions, agreements and provisions of the lease.

Pursuant to the foregoing, the Marine Exploration Company, in contemplation of dissolution of the company, has submitted an application for approval of the assignment and transfer of Lease P.R.C. 186 from the Marine Exploration Company in the following percentages:

An undivided 50% to The Texas Company, a Delaware corporation;

An undivided 50% to the Jergins Oil Company, a California corporation, to be followed by assignment of an undivided 15% to Wilmington Associates, Inc., a Delaware corporation, and an undivided 35% to the Monterey Oil Company, a Delaware corporation, or alternatively directly to the latter two corporations.

Dissolution of the Marine Exploration Company is to be complete, and no resources will be maintained to continue to guarantee lease performance jointly with the assignees. However, the assignees possess resources equal to or greater than the current lessee to guarantee performance under the lease.

Each of the proposed assignees is authorized to transact business in the State of California and possesses all of the qualifications required in Division 6 of the Public Resources Code.

Mr. R. A. Waestman appeared before the Commission on behalf of the Marine Exploration Company to explain the dissolution of this company and the reason for requesting approval of the assignment and transfer of Lease P.R.C. 186 on the percentage basis indicated above. A copy of the Operating Agreement that will be entered into by the assignees will be submitted to the State Lands Commission at a later date.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 186 FROM THE MARINE EXPLORATION COMPANY TO ASSIGNEES AS FOLLOWS, UPON THE RECEIPT OF A COMPLETED STANDARD FORM OF ASSIGNMENT OF LEASE:

AN UNDIVIDED 50% TO THE TEXAS COMPANY, A DELAWARE CORPORATION; AND

AN UNDIVIDED 50% TO THE JERGIN'S OIL COMPANY, A CALIFORNIA CORPORATION, TO BE FOLLOWED BY THE ASSIGNMENT OF SAID UNDIVIDED 50%; OR ALTERNATIVELY AN UNDIVIDED 15% DIRECTLY TO WILMINGTON ASSOCIATES, INC., A DELAWARE CORPORATION, AND AN UNDIVIDED 35% DIRECTLY TO MONTEREY OIL COMPANY, A DELAWARE CORPORATION.

THE AUTHORIZATION OF THE ASSIGNMENT SHALL BE SUBJECT TO THE DEPOSIT UPON BEHALF OF THE ASSIGNEES OF A PERFORMANCE BOND IN THE PENAL SUM OF \$25,000 AS REQUIRED BY SECTION 13 OF LEASE P.R.C. 186.

24. (RENEWAL OF LEASE P.R.C. 1210, FISH CANYON, LOS ANGELES COUNTY, PAUL M. JEBBIA - W.O. 1219.) Mr. Paul M. Jebbia has requested a renewal of his lease for Lot No. 1, Fish Canyon, in Section 16, T. 1 N., R. 10 W., S.B.M.

It is anticipated that the exchange of this section for U.S. Government land of equal value will be consummated within the year. Renewal for a period of ten years has been accepted by the U.S. Forest Service, the State's lessees in Fish Canyon thereby being protected for that time.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO RENEW LEASE P.R.C. 1210, ISSUED TO PAUL M. JEBBIA, COVERING LOT NO. 1, FISH CANYON, LOS ANGELES COUNTY, FOR A PERIOD OF ONE YEAR AT A RENTAL OF \$30, WITH RIGHT OF ADDITIONAL RENEWAL FOR A PERIOD OF TEN YEARS.