

August 31, 1955. The subject wells were returned to production September 1, 1955 and, therefore, again pursuant to the provisions of the compensatory royalty agreement, the State participation would be revised to 5.426% effective October 1, 1955.

"The data for the proposed revisions in percentage participation have been reviewed by the staff."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE MODIFICATION OF THE STATE PERCENTAGE PARTICIPATION UNDER COMPENSATORY ROYALTY AGREEMENT P.R.C. 255.1 TO BE 7.548% AS OF SEPTEMBER 1, 1955 AND 5.426% FOR THE PERIOD OCTOBER 1, 1955 TO MARCH 1, 1956.

15. (DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 735.1, MONTALVO AREA, VENTURA COUNTY.) The following report was presented to the Commission:

"On October 10, 1955 (Minute Item 6, pages 2458-59) the Commission authorized the Executive Officer to grant the Standard Oil Company of California, lessee under State Oil and Gas Lease P.R.C. 735.1, an extension of time to not later than November 17, 1955 for the commencement of the drilling of the well succeeding well 'State' D-4, as provided for in Oil and Gas Lease P.R.C. 735.1. Authorization for this grant of deferment was based on consideration of elimination of mutual subsurface title problems between the Standard Oil Company and the County of Ventura, which proceedings were anticipated could be completed during October. The documents for elimination of the aforesaid title problems have been completed and were in escrow awaiting action by the Board of Supervisors of the County of Ventura on November 29, 1955. Therefore, the Standard Oil Company of California, as lessee under Oil and Gas Lease P.R.C. 735.1, has again requested the grant of an additional period of 45 days from and after November 17, 1955 for the commencement of the next succeeding well required to be drilled under the lease."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT THE STANDARD OIL COMPANY OF CALIFORNIA, LESSEE UNDER STATE OIL AND GAS LEASE P.R.C. 735.1, AN EXTENSION OF TIME TO NOT LATER THAN JANUARY 2, 1956 FOR THE COMMENCEMENT OF THE DRILLING OF THE WELL SUCCEEDING WELL "STATE" D-4, AS PROVIDED FOR IN OIL AND GAS LEASE P.R.C. 735.1.

16. (PROPOSED RESERVATION OF MINERALS, VETERANS' HOME, YOUNTVILLE, NAPA COUNTY (1668/1953); VULCAN ISLAND, SAN JOAQUIN COUNTY (979/1955); AND REYNOLDS RANCH, SONOMA COUNTY (979/1955).) The following report was presented to the Commission:

"Section 6404, Public Resources Code, provides in part that any State agency that sells any of the lands listed in Section 6403 (e.g. land acquired by the State for public use) may with the approval of the State Lands Commission reserve to the State any

or all oil, gas, oil shale, coal, phosphate, gold, silver, or other mineral deposits therein, together with the right to prospect for, mine and remove such deposits, and occupy and use so much of the surface of the land as may be necessary therefor. Pursuant to this provision the Director of Finance, through the Public Works and Acquisition Division, has requested the recommendation of the Commission with respect to the reservation to the State of the mineral rights in three proposed sales of surplus State property.

"Parcel 11 (Ch. 1668/1953) contains approximately 298 acres at the Veterans' Home, Yountville, Napa County. Record review as to this land and field inspection by the State Lands Division has shown that quicksilver has been located on adjoining property in the same geological formations present on the subject parcel. Therefore, it appears advisable to reserve the mineral rights in any sale by the State.

"Parcel 13 (Ch. 979/1955) Vulcan Island, San Joaquin County, contains approximately 20 acres in the Stockton Deep Water Channel Project of the San Joaquin River. Record review of this area and field inspection by the State Lands Division has shown that while there have been no tests of the mineral value of the property, the McDonald Island Gas Field is located only 2½ miles west. The subject property probably has the same geological formations as the McDonald Island Gas Field. Therefore, the mineral rights in this land should be retained because of the future possibility of development of gas production.

"Parcel 17 (Ch. 979/1955) (Reynolds Ranch) contains approximately 1,040 acres at the Sonoma State Hospital, Sonoma County. Again, record review and field inspection by the State Lands Division have shown that formations exposed on the Reynolds Ranch are similar to those containing chrome and quicksilver minerals in other locations. Known mineral deposits on adjoining property may extend onto the Reynolds Ranch. Therefore, it appears that mineral rights should be reserved in any sale of the land by the State."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE COMMISSION APPROVES THE RESERVATION TO THE STATE, PURSUANT TO SECTION 6404 OF THE PUBLIC RESOURCES CODE, OF THE MINERAL RIGHTS IN THE SALE OF THE FOLLOWING DESCRIBED PARCELS OF LAND:

1. PARCEL 11, CHAPTER 1668, STATUTES OF 1953, DESCRIBED AS APPROXIMATELY 298 ACRES AT THE VETERANS' HOME, YOUNTVILLE, COUNTY OF NAPA, STATE OF CALIFORNIA, LOCATED IN THE SOUTHWESTERLY PORTION OF SAID HOME AND CONSISTING OF HILL LAND.
2. PARCEL 13, CHAPTER 979, STATUTES OF 1955, DESCRIBED AS THE PROPERTY KNOWN AS VULCAN ISLAND LOCATED IN THE STOCKTON DEEP WATER CHANNEL PROJECT OF THE SAN JOAQUIN RIVER, COMPRISING APPROXIMATELY 20 ACRES AND BEING A PORTION OF SECTION 26 AND 27, T. 2 N., R. 5 E., M.D.B. & M., COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

3. PARCEL 17, CHAPTER 979, STATUTES OF 1955, DESCRIBED AS THAT CERTAIN PARCEL OF PROPERTY KNOWN AS THE REYNOLDS RANCH, SAID PROPERTY NOW BEING A PART OF THE FACILITIES OF THE SONOMA STATE HOSPITAL.

FURTHER, THE EXECUTIVE OFFICER IS AUTHORIZED TO ADVISE THE PUBLIC WORKS AND ACQUISITION DIVISION OF THE DEPARTMENT OF FINANCE ACCORDINGLY.

17. (APPLICATION FOR LEASE, TIDE AND SUBMERGED LANDS, SMITH RIVER, DEL NORTE COUNTY, F. A. PRITCHETT - W. O. 2131, P.R.C. 1584.1.) The following report was presented to the Commission:

"F. A. Pritchett has applied for a lease of a parcel of tide and submerged lands in the Smith River, near its mouth, and approximately three miles northwesterly of the town of Smith River, Del Norte County, containing approximately one-third acre of tide and submerged land for the construction, maintenance and use of a floating dock and jetty, said lease to be for a period of 15 years with right of renewal for two additional periods of 10 years each, upon such reasonable terms and conditions as may be imposed at the time for renewal. The value of the area embraced in the aforesaid parcel is such as to require no more than the minimum annual rental of \$100. An additional proviso is proposed to be placed in the lease agreement authorizing the State to terminate the lease if, in the opinion of the State, damage is caused to adjoining property by structures placed on the leased area or by the operation thereof. The filing fee of \$5 and the expense deposit of \$100 have been paid. Bond in the amount of \$5,000 is required to be furnished to cover removal of structures at termination of lease and damage to adjoining properties."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO MR. F. A. PRITCHETT A LEASE COVERING APPROXIMATELY ONE-THIRD ACRE OF TIDE AND SUBMERGED LAND IN THE SMITH RIVER, NEAR ITS MOUTH, AND APPROXIMATELY THREE MILES NORTHWESTERLY OF THE TOWN OF SMITH RIVER, DEL NORTE COUNTY, FOR THE CONSTRUCTION, MAINTENANCE AND USE OF A FLOATING DOCK AND JETTY, THE LEASE TO BE FOR A PERIOD OF 15 YEARS AT AN ANNUAL RENTAL OF \$100 WITH THE RIGHT OF RENEWAL FOR TWO ADDITIONAL PERIODS OF 10 YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS MAY BE IMPOSED AT THE TIME OF RENEWAL; PROVIDED THE STATE MAY TERMINATE THE LEASE IF, IN THE OPINION OF THE STATE, DAMAGE IS CAUSED TO ADJOINING PROPERTY BY STRUCTURES PLACED ON THE LEASED AREA OR BY THE OPERATION THEREOF. BOND IN THE AMOUNT OF \$5,000 IS TO BE REQUIRED TO COVER DAMAGE TO ADJOINING PROPERTY AND REMOVAL OF STRUCTURES UPON TERMINATION OF LEASE.

18. (SALE OF VACANT SCHOOL LAND, APPLICATION NO. 10776, LOS ANGELES LAND DISTRICT, SAN BERNARDINO COUNTY, HARRY G. McMAHON - S.W.O. 5981.) The following report was presented to the Commission:

"An offer has been received from Harry G. McMahon of Arcadia, California, to purchase Section 36, T. 12 N., R. 5 W., S.B.M., containing 565.20 acres in San Bernardino County. The applicant made an offer of \$1,130.40, or \$2 per acre.