

1. Initiate development on the lease.
2. Quitclaim the undeveloped lease area.
3. Present new adequate bases not considered heretofore for consideration as to any further deferment of the drilling and operating requirements under the lease.

"An application has been received from the lessee, Douglas Oil Company of California, requesting consideration of further deferment of the drilling and operating requirements under Lease P.R.C. 1524.1 to December 31, 1956. This request is predicated on the necessity for additional time to permit evaluation of the production possibilities of the undrilled leased area, and the determination of the feasibility of engaging in core drilling operations to determine the underlying structure. It is also believed that operations being conducted on other adjoining leased lands may assist materially in a proper evaluation of the potential of the leased premises, and the economic advisability of further drilling operations."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT DOUGLAS OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1524.1 TO DECEMBER 31, 1956. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE.
2. QUITCLAIM THE UNDEVELOPED LEASE AREA.
3. PRESENT NEW ADEQUATE BASES NOT CONSIDERED HERETOFORE FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.
5. (CONSULTING SERVICES FOR REVIEW OF PROPOSED OIL AND GAS LEASES - W. O. 2049-D.) The following report was presented to the Commission:

"On August 16, 1955 (Minute Item 5, pages 2413-14) and on May 18, 1956 (Minute Item 14, pages 2683-84), the Commission authorized the Executive Officer to negotiate and enter into contracts with Dr. P. T. Homan, Mr. Charles B. Bennett and Mr. L. Kemnitzer for consulting services and preparation of reports on problems related to tide and submerged land oil and gas leases by the State Lands Commission during the budget year 1955-56 pursuant to Chapter 1724, Statutes of 1955. Necessary studies of the offshore leasing problems for areas under consideration will require the continued services of the board of consultants during the 1956-57 fiscal year. Areas which it is

already anticipated will require classification include 62,000 acres in Santa Barbara County (W. O. 2241) and 16,700 acres in Ventura County (W. O. 2243)."

In response to a question by Mr. Kirkwood, the staff gave assurance that the work to be done by the consultants was necessary in order to comply with law.

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO NEGOTIATE AND ENTER INTO CONTRACTS WITH DR. P. T. HOMAN, MR. CHARLES B. BENNETT AND THE FIRM OF KEMNITZER, RICHARDS & DIEPENBROCK FOR CONSULTING SERVICES AND FOR PREPARATION OF REPORTS ON PROBLEMS RELATED TO TIDE AND SUBMERGED LAND OIL AND GAS LEASES BY THE STATE LANDS COMMISSION DURING THE FIRST SIX MONTHS OF FISCAL YEAR 1956-57 PURSUANT TO CHAPTER 1724, STATUTES OF 1955, AT A TOTAL COST NOT TO EXCEED \$25,000.

6. (APPLICATION TO FILL, GUADALUPE CANAL, SAN MATEO COUNTY, P.R.C. 776.1, CROCKER ESTATE COMPANY - W. O. 2340, P.R.C. 776.1(A).) The following report was presented to the Commission:

"The Crocker Estate Company, lessee under Lease P.R.C. 776.1 covering 6.59 acres of tide and submerged lands in Guadalupe Canal, San Mateo County, has requested permission to fill the State Lands so leased. P.R.C. 776.1 specifies that the area shall be used for drainage control, public utilities and possible access roads, and was issued January 1, 1953, at an annual rental of \$1,320 for fifteen years with right of renewal for two additional periods of 10 years each. In furtherance of development of adjacent lands held in fee by the lessee by filling and installing adequate drains, application has been received for permit to place a fill averaging three feet in depth on the leased area, rerouting the existing drainage ditch and, at a later date, installing a reinforced concrete box drain of more than adequate capacity. Title to the filled lands which are not navigable in fact will remain in the State and the State lands so filled will be materially increased in value."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT A PERMIT TO THE CROCKER ESTATE COMPANY, LESSEE UNDER LEASE P.R.C. 776.1 COVERING 6.59 ACRES OF TIDE AND SUBMERGED LANDS IN GUADALUPE CANAL, SAN MATEO COUNTY, TO FILL THE LEASED PARCEL TO AN AVERAGE DEPTH OF THREE FEET, TO REROUTE THE EXISTING DRAINAGE DITCH AND, AT A LATER DATE AND SUBJECT TO ENGINEERING APPROVAL BY THE COMMISSION, TO CONSTRUCT A REINFORCED CONCRETE BOX CULVERT WITH LATERAL DRAIN PIPES, ALL PROPOSED WORK TO BE IN CONFORMANCE WITH THE PURPOSE AND USE SPECIFIED IN LEASE P.R.C. 776.1, TITLE TO THE FILLED LAND TO REMAIN WITH THE STATE.