

12. (Easements Nos. 42, 675 P. C. and 3, P.R.C.) Upon motion duly made and unanimously carried, a resolution was adopted wherein the Columbia Construction Company's easements were authorized to be terminated upon the payment of a one year annual rental for each lease. Termination payment shall be for that period subsequent to the next rental due date and shall involve a total of \$144.00 for Easement No. 42 on or before November 6, 1943, and \$288.00 on Easement No. 3 on or before November 10, 1943, total payment involved \$432.00. This termination was made subject to the Columbia Construction Company's removing the facilities which were constructed on tidelands at Santa Catalina Island under the agreements.

13. (Lease No. 27, P.R.C.) Upon motion duly made and unanimously carried, a resolution was adopted approving the subletting by Mr. Fred E. Moore of the premises under this Corte Madera lease provided any delinquent rental is paid, and further providing that the subletting does not relieve Mr. Moore of any obligations under the lease.

14. (Agreement No. 415, Standard Oil Company.) Upon motion duly made and unanimously carried, a resolution was adopted approving the 33d and 34th revisions of the Rio Vista acreage allocation to the State land. This approval is granted subject to any changes which might result from necessary adjustment of the basic acreage figures to be agreed upon with respect to the 11th and 12th revisions. Approval was also made subject to Standard Oil Company's agreeing to extend to August 1, 1943, the time within which the State might make formal objection to the 11th to and including the 34th revisions of the State's percentage allotment, and further subject to the Standard Oil Company's granting to the State a waiver whereby the State would have a reasonable period in excess of sixty days after August 1, 1943, to check and approve the revised map of the Rio Vista Field which the Standard Oil Company is to submit to the Commission on or before August 1, 1943.

15. (Oil and Gas Lease No. 89, Bankline Oil Company.) Upon motion duly made and unanimously carried, a resolution was adopted which confirmed the action of the Executive Officer wherein he had granted approval for a recovery and salvage program in connection with the outer protective strings of casing on existing wells of the Bankline Oil Company's leases. Such recovery and salvage operations shall conform to the revised Rules and Regulations of the Division of Oil and Gas.

16. (Elwood Field Extension.) Upon motion duly made and unanimously carried, a resolution was adopted wherein the Executive Officer was authorized to advertise for bids for a lease of an extended area northwesterly of the Elwood Field and consisting of approximately 200 acres, more or less.

17. (Oil and Gas Lease No. 392, Southwest Exploration Company.) Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to enter into a modification of Lease No. 392. Such modifications to incorporate the following items to which Southwest Exploration Company shall agree.

(a) The Southwest Exploration Company may suspend drilling of the offset well to Standard's Bolsa No. 31 at Huntington Beach until such time as further knowledge of the oil structure indicates a probable economically commercial producer;

(b) Under such suspension agreement the Southwest Exploration Company will pay to the State a royalty which shall be computed under the royalty formula applied to Easement No. 392 in its application to the rate of production obtained by Standard's "Bolsa" No. 31 well. Such royalty shall be partial consideration tendered by Southwest Exploration Company in lieu of the required drilling of the offset well. This royalty payment shall commence and be payable from and after June 1, 1942;

(c) The Southwest Exploration Company will also agree to drill additional wells to the main zone. These wells shall be bottomed westerly of their present first or second line wells. The number of these additional wells shall be such as are deemed necessary to reach and determine the westerly limits of the commercially productive areas of their leasehold.

18. (Easement No. 314, Beloil Corporation.) Upon motion duly made and unanimously carried, a resolution was adopted approving the Beloil Corporation's application to redrill their "H.B." No. 1 well on Easement 314 within the Jones Zone provided Beloil will file a \$100,000.00 indemnity bond to protect the State against any claims or damages; and further provided that such redrilling shall be done in accordance with the rules and regulations of the Commission and upon a course to be approved in writing by the Executive Officer.

19. (Easement No. 318, Beloil Corporation.) Upon motion duly made and unanimously carried, a resolution was adopted approving the redrilling and deepening of "Jones" No. 1 well on Easement No. 318 to the main zone in the Huntington Beach Field subject to the following conditions:

(a) A surety bond in the amount of \$100,000.00 to be filed by Beloil Corporation to protect the State against any claim or damage incident to the redrilling and deepening operations;

(b) Beloil Corporation, Ltd., will file with the State Lands Commission waivers of any objection to the proposed redrilling or deepening operations from those operators who have wells within the radius area outlined under the rules and regulations;

(c) Existing easement to be modified to provide for a minimum royalty to the State of  $12\frac{1}{2}\%$  under this easement;

(d) The well shall be redrilled by sidetracking operations out of the present casing at approximately a depth of 2,000 feet and the course of redrilling shall not be within 100 feet of any