

average annual rental of \$407.88 in accordance with the established rental policy of the Commission. The Lessee is to have an option for renewal for an additional period of ten years at such reasonable terms and conditions as may be prescribed by the Commission at the time of renewal. The issuance of the lease is to be subject to the condition that the Tide Water Associated Oil Company file a corporate surety bond in the amount of \$5,000.00 to guarantee performance, including removal at the termination of the lease of any structures which may have been erected on the demised area, but not including payment of rental.

5. (Occupancy of State Sovereign and School Lands under Section 536 of the California Civil Code - Request for Opinion) The Commission was informed that the Southern California Telephone Company has requested permission to occupy State lands at no cost purportedly under the provisions of Section 536 of the California Civil Code; whereas, preliminary discussions with the Attorney General's office have developed the statement that said section of the Civil Code may not necessarily give the right to occupy such land without compensation to the State.

Upon motion duly made and unanimously carried a resolution was adopted authorizing the Acting Executive Officer to request a formal opinion from the Attorney General as to the validity of the occupancy by the Southern California Telephone Company and similar public utility companies without compensation to the State of State sovereign and school lands pursuant to Section 536 of the California Civil Code.

6. (Pipe Line Right of Way Easements - Nos. P.R. C. 240, 247, 248, 249 and 250 - Kirby Hills Gas Field Area) The Commission was informed that Pacific Public Service Company in transferring to its wholly-owned subsidiary, Coast Industrial Gas Company, the pipe line laid under right of way easements Nos. P.R.C. 240, 247, 248, 249 and 250 desired that these easements heretofore approved by the Commission for issuance to the Pacific Public Service Company be granted directly to the Coast Industrial Gas Company, a California corporation.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Acting Executive Officer to execute and issue right of way easements Nos. P.R.C. 240, 247, 248, 249 and 250 to the Coast Industrial Gas Company.

7. (Notice of Intention to Receive Offers to Lease Lands in Owens Lake for Extraction of Minerals) The Commission was informed that there were questions as to the possible validity of the individual bids submitted, and that there were conflicts as to the desired extraction areas in the bids received pursuant to the publication of notice of intention to receive offers to lease lands at Owens Lake for the extraction of minerals as authorized on October 17, 1946; and that the respective bidders had requested that another notice of intention be published.

Upon motion duly made and unanimously carried, a resolution was adopted rejecting the bids of the Natural Soda Products Company (W.O. 49) and the Permanente Metals Corporation (W.O. 7) received heretofore pursuant to the notice of intention to receive offers to lease lands at Owens Lake for the extraction of minerals as authorized on October 17, 1946 and authorizing the publication of a notice of intention to receive offers to lease lands in Owens Lake for the extraction of minerals as detailed in the attached copy of Notice of Intention designated Appendix "A".