

The option offers a price of \$25.00 per acre or \$4,000.00 for the 160 acres involved. No filing fee is required.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE THE OPTION FOR PURCHASE OF LAND COVERING THE SE $\frac{1}{4}$ OF SECTION 36, T. 12 S., R. 24 E., M.D.M., CONTAINING 160 ACRES, WHEREUNDER THE UNITED STATES WILL PAY THE STATE THE SUM OF \$4,000.00, NO RESERVATION OF MINERALS TO THE STATE TO BE MADE AS AUTHORIZED BY SECTION 6402 OF THE PUBLIC RESOURCES CODE.

30. (REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, HONOLULU-SIGNAL-MACCO, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 308) The Commission was informed that on February 10, 1950, (Minute Page 1064, Item 11) the Commission authorized the deferment of drilling and operating requirements under Oil and Gas Lease P.R.C. 308 until April 26, 1950, within which time the lessee might formulate plans for additional exploration on the lease. A request has again been received from the Honolulu Oil Corporation as operator of Lease P.R.C. 308, for an extension of the deferment of the drilling and operating requirements until July 25, 1950, within which time to formulate the plans for the proposed additional exploration. This request has been supplemented by the Signal Oil and Gas Company, one of the joint lessees, with the report that said company is presently negotiating with the Honolulu Oil Corporation on the details of assuming operation of the lease with the intention of drilling an additional well under Lease P.R.C. 308, or the adjoining Lease P.R.C. 309.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO GRANT HONOLULU-SIGNAL-MACCO, LESSEES UNDER STATE OIL AND GAS LEASE NO. P.R.C. 308, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNTIL JULY 25, 1950.

31. (REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, HONOLULU-SIGNAL-MACCO, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 309) The Commission was informed that on February 10, 1950 (Minute Page 1065, Item 12) the Commission authorized the deferment of drilling and operating requirements under Oil and Gas Lease P.R.C. 309 until April 29, 1950, within which time the lessee might formulate plans for additional exploration on the lease. Honolulu Oil Corporation as the operator under Lease P.R.C. 309 has again requested an additional deferment of drilling and operating requirements until July 28, 1950.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO GRANT HONOLULU-SIGNAL-MACCO, LESSEES UNDER STATE OIL AND GAS LEASE P.R.C. 309, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNTIL JULY 29, 1950, ON THE SAME BASIS AS RECOMMENDED FOR LEASE P.R.C. 308, IN THE PRECEDING ITEM.

32. (CANCELLATION OF GRAZING LEASE P.R.C. 1200, LASSEN COUNTY - FAYE DUQUE) The Commission was informed that the Commission on June 14, 1949, authorized the issuance of a five year grazing lease on Section 16, T. 32 N., R. 14 E., and Section 16, T. 34 N., R. 17 E., M.D.M., containing 1280 acres in Lassen County to Mrs. Faye Duque of Reno, Nevada, upon payment of \$1,120.00 being the first and last years' rental for the lease. Mrs. Duque now advises that the area including the State school lands were accidentally burned-over to such a degree that the Federal land adjoining, upon which she had a permit and which supported 3,500 head of sheep, has now been restricted to 300 head.

Under the circumstances, she believes that the State should consent to cancellation of her lease for the balance of the term commencing on June 14, 1950.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE CANCELLATION OF GRAZING LEASE P.R.C. 1200, ISSUED TO MRS. FAYE DUQUE OF RENO, NEVADA, AND COVERING 1,280 ACRES IN LASSEN COUNTY, SAID CANCELLATION TO BECOME EFFECTIVE ON JUNE 13, 1950, AND THAT MRS. DUQUE BE RELIEVED OF PAYING ANY FURTHER RENTALS UNDER THIS AGREEMENT.

33. (LEASES AND PERMITS FOR DREDGING SAND AND GRAVEL FROM NAVIGABLE STREAMS - W.O. 623) The Commission was informed that Section 6303 of the Public Resources Code (as amended by Chapter 824, Statutes of 1949) provides in part that "When a contractor or permittee has a contract with or a permit from the Federal Government or any authorized public agency to dredge navigable streams for the improvement of navigation, the Commission may, when in the best interests of the State, allow such contractor or permittee to have sand, gravel, or other spoils dredged from the sovereign lands of the State located within the area specified in such contract or permit without paying a royalty therefor."

Dredging operations in navigable rivers of the State fall normally into one of four classes:

1. Dredging to secure deposits of sand and gravel for commercial purposes. Such operations are conducted under a lease from the State issued pursuant to competitive public bidding and under permit from the Corps of Engineers, U. S. Army insofar as the operation affects navigation. The minimum royalty rate specified in the most recent call for bids for this type lease was three cents per cubic yard for all sand and gravel extracted from the State land.
2. Dredging for the specific improvement of navigation under a contract with the Federal Government or other authorized public agency, where public moneys are being spent for the improvement or maintenance of a navigation channel.
3. Dredging at private cost, under permit of the Corps of Engineers, for the specific purpose of establishment or improvement of navigation.
4. Dredging under Corps of Engineers permit resulting in concurrent benefits to navigation, flood control and recreational interests.

Specific inquiry to the District Engineer, Corps of Engineers, U. S. Army, with relation to a selected dredging project being conducted in the San Joaquin River under permit from the Corps of Engineers, has resulted in the report that the dredging operations are of great benefit for navigation, flood control and recreational interests; that the operations remove a great amount of sand which would otherwise go into other channels where it would have to be dredged out at the expense of the Government. Due to the public benefits resulting from the operations, it is the opinion of the District Engineer that they should be encouraged as much as possible (This Dredging operation falls in the fourth class enumerated above).