

decimal point having been misplaced, and that his client actually was the high bidder according to the intent of his bid.

Although the royalty bid factor in Mr. Lopes' bid was shown as 52.15%, which was interpreted to mean a bid factor of 0.5215, Mr. Kennedy claims that the amount his client intended to bid was the amount shown in an accompanying letter as a fixed royalty (not bid factor) of 52.15%.

Mr. Hertig pointed out that the call for bids clearly stated that they must be submitted on the form specified, that it would not be possible to compare the two bids if Mr. Lopes' actually intended to bid a fixed royalty of 52.15%, and that any bid in a letter or in addition to that shown on the bid form technically could not be considered.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED REQUESTING AN OPINION BY THE ATTORNEY GENERAL AS TO THE LEGAL TECHNICALITIES INVOLVED IN ACCEPTING OR REJECTING EITHER OF THE BIDS.

22. (PROPOSED GAS LEASE, TIDE AND SUBMERGED LANDS IN BEDS OF NAVIGABLE RIVERS, SACRAMENTO AND SAN JOAQUIN COUNTIES, PARCEL "B" - W.O. 478, P.R.C. 714.) Pursuant to a published Notice of Intention to receive bids for a lease for the production of gas from State lands in the River Island Gas Field Area, as authorized by the Commission on February 6, 1951 (Minute Page 1270, Item 9), one bid has been received for gas lease on those lands described as Parcel "B", W.O. 478. The only bidder, the Brazos Oil and Gas Company of Houston, Texas, has qualified on all requirements specified by the call for bids. A royalty bid factor of 2.08 has been offered for the lease.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE A GAS LEASE TO THE BRAZOS OIL AND GAS COMPANY FOR THOSE TIDE AND SUBMERGED LANDS IN THE COUNTIES OF SACRAMENTO AND SAN JOAQUIN DESCRIBED AS PARCEL "B", W.O. 478, AT A ROYALTY BID FACTOR OF 2.08, FOR A TERM OF TWENTY YEARS AND FOR SO LONG THEREAFTER AS GAS IS BEING PRODUCED IN PAYING QUANTITIES, SUBJECT TO THE DEPOSIT BY THE LESSEE OF THE PERFORMANCE BOND OF \$25,000.

23. (APPLICATION FOR ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 186, MARINE EXPLORATION COMPANY, ORANGE COUNTY.) Lease P.R.C. 186, issued September 24, 1945, to the Marine Exploration Company for a term of 20 years, provides that the lease may not be assigned, transferred or sublet, except with the written consent of the State and then only to a person, association of persons, or corporation which at the time of the proposed assignment, transfer or sublease possesses the qualifications prescribed by Division 6 of the Public Resources Code. Should the State consent in writing to the assignment, transfer, or subletting of the lease, the lessee shall continue to assume, during the term of the lease or any extension thereof, jointly with any assignee, transferee or sublessee, responsibility for compliance with all of the terms, covenants, conditions, agreements and provisions of the lease.

Pursuant to the foregoing, the Marine Exploration Company, in contemplation of dissolution of the company, has submitted an application for approval of the assignment and transfer of Lease P.R.C. 186 from the Marine Exploration Company in the following percentages: