

conditions specified for the aforesaid Easement 274, Easements 400 and 401 were issued to the Wilshire Oil Company on November 7, 1938, pursuant to competitive public bidding, for initial terms of twenty years each and at the option of the Lessee for so long thereafter as oil or gas is produced from the easement.

In the proposed chain of assignment, B-L and Associates, Inc. will assume full responsibility for all operations required under the subject leases through a proposed operating agreement between B-L and Associates, Inc. and Elsinore C. Machris. The assignment to Elsinore C. Machris and the approval of the operating agreement are to be considered by the Superior Court in Los Angeles in Probate Proceeding No. 320, 321, on February 9, 1953. Monterey Oil Company, as final assignee, would succeed to the operating agreement and be required to perform all the terms, covenants and conditions of the respective easements. Assignment of corollary right-of-way agreements, to which the State is not a party but which cover the courses of the wells traversing uplands not under the jurisdiction of the State, have also been requested by the assignors and assignees from the Standard Oil Company of California, the Huntington Beach Company, Pacific Electric Land Company and the Pacific Electric Railway Company. Similarly, the easement assignments are subject to reservations as between parties, covering processing contracts, operating agreement and purchase payment conditions, to which the State is not a party.

The statutory \$5 application filing fee has been paid.

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

The Executive Officer is authorized to approve the assignment of undivided interests in Agreements for Easement Nos. 274, 275, 400 and 401, Huntington Beach, from the Wilshire Oil Company, Inc. to B-L and Associates, Inc. and Elsinore C. Machris, in the undivided interest percentages of 66.664 per cent and 33.336 per cent respectively, and a second assignment of the 66.664 per cent undivided interest from B-L and Associates, Inc. to Monterey Oil Company, subject to the following conditions:

1. Assumption by the Monterey Oil Company of full responsibility for the performance of all terms, covenants and conditions, without modification, of Agreements for Easement Nos. 274, 275, 400 and 401, including the deposit of the performance bonds specified by the respective easements.
2. Approval by the Office of the Attorney General of all requisite assignment documents as to form.

25. (REFUND UNDER CANCELLED GRAZING LEASE P.R.C. NO. 1204, RAYMOND F. STOCKTON, KERN COUNTY.) On January 8, 1953 (Minute Item 3, Pages 1-1704 and 2-1705), the Commission authorized the sale of Section 16, T. 30 S., R. 34 E., M.D.M., containing 640 acres in Kern County, to Raymond F. Stockton at a cash price of \$2,560. Completion of this sale automatically terminated Grazing Lease P.R.C. No. 1204 covering the same land, held by Raymond F.

Stockton, the first and fifth annual rentals for which had been paid upon the execution of the lease on February 20, 1950, Section 6505.5 of the Public Resources Code provides that the sale of said land ipso facto terminates said lease, and Section 6509 of said code provides that upon the sale of the land by the State the lessee shall surrender the lease to the Commission and receive in exchange therefor from the Commission a certificate showing the proportionate amount of the annual rentals to be refunded to the lessee. Therefore, Raymond F. Stockton, as the lessee, is entitled to a refund of \$128 paid in advance for the fifth year's rental, as well as the sum of \$9.60 unearned rental for the unexpired remainder of the third year, a total of \$137.60.

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

The Executive Officer is authorized to issue a refund certificate to Raymond F. Stockton in the amount of \$137.60, representing the unearned rentals under cancelled Grazing Lease P.R.C. No. 1204, upon surrender of said grazing lease by Mr. Stockton.

26. (TIDELANDS CONTROVERSY - UNITED STATES v. STATE OF CALIFORNIA - W.O. 721.)

A letter was presented to the Commission, dated February 4, 1953, from the Roger Sumner Productions, regarding purchase of five prints of the film "Freedom's Shores" authorized by the Commission on October 24, 1952 (Item 25, Minute Pages 1660-61). The Commission was informed that pursuant to a question raised by the Controller's Office regarding the legality of spending State funds for these films, an opinion was requested from the Attorney General, and that an opinion had been received. The matter is to be referred again to the Controller, together with a copy of the opinion of the Attorney General, and the decision of the Controller is to be presented to the Commission for final consideration and action before actual purchase of the film.

The Commission was informed that the Executive Officer plans to attend hearings on the Tidelands Controversy before the Senate Interior and Insular Affairs Committee in Washington, D.C., commencing the week of February 16, 1953.

27. (SUMMARY OF LEGISLATION 1953 - W.O. 1111.) The Commission was informed of bills pending in the legislature that affect the business of the Commission. Summary of the bills is attached.

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

The Executive Officer is authorized to take the action indicated for each bill in the summary.