

"Oil and Gas Lease Easement 392.1, issued September 26, 1938 to the Southwest Exploration Company for a term of twenty years, provides that the lease may not be assigned, transferred or sub-let without the prior consent, in writing, of the Commission. Assignments may only be made to a person, association of persons or corporation which possesses qualifications provided in Chapter 5, Statutes of 1938 (now codified in the Public Resources Code).

"Pursuant to the foregoing, Southwest Exploration Company has submitted an application for the approval of the assignment and transfer of Oil and Gas Lease Easement 392.1 in the following percentages:

An undivided 66% interest to Signal Oil and Gas Company.

An undivided 34% interest to Hancock Oil Company.

"Each of the proposed assignees is authorized to transact business in the State of California and possesses all of the qualifications required in Division 6 of the Public Resources Code. The assignees have submitted a performance bond in the penal sum of \$25,000 as required in Section 2A of the lease, to be filed in lieu of the bond of the assignor, Southwest Exploration Company.

"The assignees have designated Signal Oil and Gas Company as the operator under Easement 392.1 to receive all notices, make all reports required under the lease, and to be fully responsible for the performance of all its terms and conditions."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF OIL AND GAS LEASE EASEMENT 392.1 FROM THE SOUTHWEST EXPLORATION COMPANY TO ASSIGNEES, AS FOLLOWS:

AN UNDIVIDED 66% INTEREST TO SIGNAL OIL AND GAS COMPANY.

AN UNDIVIDED 34% INTEREST TO HANCOCK OIL COMPANY.

THE SOUTHWEST EXPLORATION COMPANY IS TO BE RELEASED FROM FURTHER LIABILITY UNDER OIL AND GAS LEASE EASEMENT 392.1 EFFECTIVE WITH THE APPROVAL OF THE SUBJECT ASSIGNMENT.

15. (OIL AND GAS LEASE APPLICATION 6871.3, PUBLIC RESOURCES CODE, ORANGE COUNTY - W. O. 2242.)

"On January 19, 1956 (Minute Item 3, pages 2533-34) the Commission authorized the Executive Officer to proceed with the publication of the notice required by Section 6873.2 of the Public Resources Code that the Commission intends to consider offering a lease for the extraction of oil and gas from approximately 7,200 acres of

tide and submerged lands in Orange County. Pursuant to this authorization the requisite notice was published and copies were transmitted to the Board of Supervisors, County of Orange, City of Huntington Beach, City of Seal Beach, Director of the Department of Natural Resources, and Senator John A. Murdy of Orange County. On March 7, 1956 Mr. Joel E. Ogle, County Counsel, County of Orange, reported as follows:

'Pursuant to your notice of consideration of an oil and gas lease being offered by the Commission, referring to your W. O. 2242, I am directed by the Board of Supervisors of this County to advise you that the County of Orange contends ownership of the tidelands proposed to be leased.'

"Thereupon on March 9, the Board of Supervisors of Orange County was requested to furnish an official expression as to whether or not a public hearing is desired under the provisions of Section 6873.2, Public Resources Code (Chapter 1724, Statutes of 1955). Pursuant to this latter request the County Clerk has transmitted a resolution of the Board of Supervisors dated March 14, 1956 reading as follows:

'On motion of Supervisor Kaiser, duly seconded and unanimously carried by the board members present, the Clerk was instructed to notify the State Lands Commission that no public hearing is desired in the tidelands matter referred to in the letter from the State Lands Commission dated March 9, 1956.'

"The period within which any affected city or county may request in writing to the Commission that a hearing be held with respect to the offering of the subject lease will expire April 15, 1956. No other request has been received to date."

The Executive Officer reported that the matter of Orange County's claim is under investigation by Mr. Everett W. Mattoon of the Attorney General's office as to possible court action.

Mr. Mattoon informed the Commission that the Orange County Counsel has agreed to submit a brief within ten days, setting forth the bases for their claims. This ten-day period has expired, and the Counsel will be requested to submit the brief forthwith. The Attorney General's office is now considering the nature of the action which it should bring, but wants first to ascertain on what Orange County based its claim.

Mr. Ottoson inquired whether either the City of Seal Beach or the City of Huntington Beach had asked for a hearing on this application, and was informed by Mr. Hortig of the staff that as of 6 p.m. the previous evening no such request had been received.