

Decision No. 11896.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of the)
SUNSET LAND AND WATER COMPANY,)
a corporation, for an order consenting)
to the lease to M. S. MARTIN of the oil,)
gas and hydrocarbon substances underly-)
ing the real property herein described)
and permitting M. S. Martin and his)
assignees to drill for oil, gas and)
other hydrocarbon substances on said)
land.)

Application No. 8731.

Jas. P. Sweeney for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled application, the Sunset Land and Water Company, a corporation, asks the Railroad Commission for an order authorizing it to execute a lease permitting M. S. Martin, Benjamin B. Dudley, Edmond Dudley and H. T. Martin to drill one or more wells for oil, gas and other hydrocarbon substances upon certain real property owned by it, situated near Sunset Beach, Orange County, California, and more particularly described as follows:

Parcel No. 1 - Commencing at a point 30 feet north and 20 feet west of the Southeast corner of the Northeast quarter (N.E. $\frac{1}{4}$) of the Northwest quarter (N.W. $\frac{1}{4}$) of Section twenty-nine (29), Township Five (5) South, Range Eleven (11) West, S.B.B. & M.; thence North 200 feet; thence West 200 feet; thence South 200 feet, and thence East 200 feet to the place of beginning.

Parcel No. 2 - Commencing at a point 612.6 feet north and 889 feet west of the Southeast corner of the Northeast quarter (N.E. $\frac{1}{4}$) of the Northwest quarter (N.W. $\frac{1}{4}$) of Section Twenty-nine (29), Township Five (5)

South, Range Eleven (11) West, S.B.B. & M.; thence North 200 feet; thence West 200 feet; thence South 200 feet and thence East 200 feet to the place of beginning, being the land on which is situated a pumping plant and artesian wells.

Parcel No. 3 - A strip of land 2 rods in width, 1 rod on each side of a line produced from the Northwest corner of the first parcel of land as above described, to the Southeast corner of the second parcel of land as above described as shown on a map attached to that certain deed dated the 25th day of November, 1903, made by F. E. Robinson and Minnie A. Robinson to Sunset Beach Company, and recorded in the office of the County Recorder of the County of Orange, California, in Book 108, page 46 of Deeds.

A public hearing in this matter was held before Examiner Williams at Los Angeles. All interested parties were duly notified and given an opportunity to be present and to be heard.

The testimony shows that the Sunset Land and Water Company is operating a public utility supplying water for domestic purposes to consumers in Sunset Beach and vicinity. It obtains all its water from artesian wells situated on a portion of the property involved in this proceeding. M. S. Martin has secured a lease on this property, subject to the approval of the Commission, and has transferred a three fifths ($3/5$) interest in said lease to Benjamin B. Dudley and Edmond Dudley, and a one fifth ($1/5$) interest to H. T. Martin, all of whom have joined in this application.

The evidence clearly shows that the water supply can be adequately protected by observance of proper precautions in drilling oil or gas wells upon the tract in question. Other wells are now in operation in the immediate vicinity and in no case has oil or gas been encountered under great pressure, and only at a considerable depth below the water strata from which Sunset Land and Water Company secures its supply. It therefore appears that the application can be granted, subject to the conditions hereinafter set forth, without prejudice to

the interests of the public dependent upon this water supply.

O R D E R

Application having been filed with this Commission asking for an order authorizing Sunset Land and Water Company to execute a lease permitting M. S. Martin, Benjamin B. Dudley, Edmond Dudley and H. T. Martin to drill one or more wells for oil, gas and other hydrocarbon substances underlying certain real property owned by the Sunset Land and Water Company, a public hearing having been held thereon and the matter having been submitted,

IT IS HEREBY ORDERED that said application be and the same is hereby granted upon the following conditions:

- I. No well for oil, gas or other hydrocarbon substances shall be located within 250 feet of any well now existing or being drilled, from which the Sunset Land and Water Company obtains or seeks to obtain its water supply, in whole or in part, unless otherwise ordered by supplemental order of this Commission.
- II. Any well drilled for oil or gas upon the utility property of the Sunset Land and Water Company shall be properly encased with an outside casing of not less than 20 inches diameter, to a depth sufficient to reach a hard formation suitable for landing the casing and allowing the same to be cemented in by the usual and proper process employed for that purpose, but in any event, such casing shall be carried to a depth of not less than 500 feet and to a sufficient depth to properly seal off the artesian water strata from which the Sunset Land and Water Company now receives its artesian water supply. Within said outside casing there shall be installed an inner screw casing of a diameter not greater than 6 inches less than the diameter of the outside casing, and the space between the inner and outer casing shall be properly filled with cement for the entire depth of the outside casing, and the top of said casing shall be anchored in a suitable manner with a solid block of concrete and properly tied in with anchor rods. The installation of said casings and compliance with this condition in all particulars shall be carried out under the direct supervision of the State Oil and Gas Supervisor, and shall, in all particulars not herein specifically set forth, be done in accordance with the orders of said Supervisor.

- III. The foregoing conditions shall be embodied in the provisions of the deed or other instrument used for the lease of the property or rights therein as herein authorized, and shall be made binding upon any and all successors in interest to the parties thereto.
- IV. At the time of the lease transfer herein authorized M. S. Martin, Benjamin B. Dudley, Edmond Dudley and H. T. Martin shall deliver to Sunset Land and Water Company an indemnity bond executed by a surety company and approved by this Commission, in the sum of not less than five thousand dollars (\$5,000.00) for the indemnification of the Sunset Land and Water Company for any diminution or contamination of its water supply, or damage to its property or any part thereof, used and useful in the performance of its duties as a public utility water company which may result from any act or operation of M. S. Martin, Benjamin B. Dudley, Edmond Dudley and H. T. Martin, or their successors in interest in the use of the property herein authorized to be leased.
- V. Within thirty (30) days after its execution, Sunset Land and Water Company shall file with the Railroad Commission a certified copy of the agreement under which said lease is made.
- VI. The authority herein granted shall apply only to such lease as shall have been made on or before June 1, 1923.
- VII. The consideration given for the lease of said public utility rights shall not be urged before this Commission or any other public body, as a finding of the value of said rights for any purpose other than the transfer herein authorized.

Dated at San Francisco, California, this 5th day of April, 1923.

CL Seary
H. B. Brundage
Edward Martin

Commissioners.