

A meeting of the State Lands Commission was held in Stanford Hospital, San Francisco August 11, 1942, at 10:00 A. M.

Present

George Killion, Chairman
Ellis E. Patterson, Member,

Absent

Harry B. Riley, Member.

Minutes of the meeting of the Commission held in Los Angeles on June 25, 1942, were, upon motion of Mr. Patterson, seconded by Mr. Killion, unanimously approved and confirmed as submitted.

After being informed that the Attorney General feels the available facts do not justify the institution of suit for trespass and drainage from the tidelands at Venice, upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving the recommendation of the Attorney General.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted deferring action on the applications of the Inrmo Company to recomplete Well "Fee" #5 under Agreement for Easement No. 272, and the Wilshire Oil Company to recomplete Well "H.B." #33 under Agreement for Easement No. 275, until a uniform program for such operations is completed.

By resolution duly made and carried, it was decided to defer action on the request of the Regional Grazier of the Department of the Interior for the inauguration of a land exchange program involving lands in the Mojave District until the exchange programs now in progress are completed.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted denying the request of the War Department for easements and right-of-way permits over the NW $\frac{1}{4}$ of Section 27, T. 26 N., R. 16 E., and Section 16, T. 28 N., R. 17 E., M. D. B. & M., Lassen County, providing for the extraction of sand and gravel with no compensation to the State.

A letter was read from the State Controller in which he stated that the sum of \$35,000.00 should be transferred from the State Lands Act Fund to the General Fund and State Park Maintenance and Acquisition Fund in percents of 30 and 70, respectively.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted directing the transfer from the State Lands Act Fund in accordance with the suggestion of the State Controller.

Consideration was given to the suggestion of Mr. Fred W. Links that a new automobile be purchased for the use of Mr. C. A. Logan, Mining Engineer, who is making a survey of State owned lands. It was decided that a new automobile should not be purchased at this time but that a second hand vehicle should be obtained if possible through the Department of Finance.

After being informed that Senator Theo. G. Bilbo of Mississippi had introduced a bill in Congress which would, if enacted, transfer title to the tidelands in the Gulf Coast States to the United States Government, instructions were issued to contact our representatives in Congress requesting that they seek to defeat this measure.

Messrs. Teichert & Ferguson appeared before the Commission relative to the unauthorized extraction of sand and gravel from the NW $\frac{1}{4}$ of Section 27, T. 26 N., R. 16 E., M. D. M., Lassen County. After consideration of the facts involved, a motion was duly made and carried that the matter be referred to Mr. C. H. Purcell, State Highway Engineer, with a request that his department furnish the Commission with data relative to the valuation of the sand and gravel in order that such information could be considered in connection with the proposed settlement.

Upon motion duly made and carried, a resolution was adopted confirming the approval given Southwest Exploration Company for the suspension of drilling operations under Agreement for Easement No. 392, Huntington Beach, to permit vacations for the drilling and production crew.

The Commission was informed of the receipt of five Attorney General opinions and a report from the Attorney General upon six matters which are pending in his office.

After consideration of the request of John W. Hamilton that the Commission rescind its former action requiring the deposit of \$300.00 to defray the costs incidental to determining whether the issuance of a lease of the black sands of the tidelands near Crescent City would be in the public interest, upon motion of Mr. Patterson, seconded by Mr. Killion, and un-animously carried, a resolution was adopted denying the request.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted waiving the requirement of State Mineral Lease No. 15 that the bond be filed by May 10, 1942, and approving acceptance of the bond filed June 1, 1942.

Upon motion duly made and carried, a resolution was adopted approving 10.871% as the 20th revision of the State's percentage allotment pursuant to Exhibit "A" of Easement No. 415, Rio Vista, subject to a check on the acreage after completion of the new base map.

Upon motion duly made and carried, a resolution was adopted approving the extension until October 5, 1942, of the time within which to make formal objection of the 11th to 20th revisions of the State's percentage under Easement No. 415.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving the issuance of ark site leases at Corte Madera, to the following:

W. L. Stoneburn
 Edwin T. Carrico
 Mrs. Ethel Stoneburn
 Mrs. Matilda Warner
 Mr. and Mrs. Norman W. Keik

The Commission, upon motion duly made and carried, authorized the issuance of the following grazing leases:

<u>No.</u>	<u>Lessee</u>	<u>Area</u>	<u>Rental per year</u>	<u>Term</u>	<u>Effective date</u>
1031	W. J. Petterson, Box 43, Route 1, Chico, Calif.	Sec. 16, T. 24 N., R. 2 E., M. D. M., 640 acres, Tehama Co.	10¢	5 yrs.	5/18/42
1032	Mono Land & Live- stock Company, Gardnerville, Nevada	SE $\frac{1}{4}$ of Sec. 36, T. 4 N., R. 24 E., M. D. M., 160 acres, Mono County	15¢	3 yrs.	8/11/42
1033	Chas. F. Hammond P. O. Box 577, Fort Jones, Calif.	S $\frac{1}{2}$ of NW $\frac{1}{4}$, N $\frac{1}{2}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 16, T. 4, 3 N., R. 7 W., M.D.M., 200 acres, Siskiyou County	7 $\frac{1}{2}$ ¢	5 yrs	6/4/42
1034	Frank A. Magoldi Box 603, Red Bluff, Calif.	Sec. 16, T. 27 N., R. 8 W., M. D. M., 640 acres, Tehama County	5¢	5 yrs.	8/11/42
1035	P. L. Morgan, Route 3, Box 494, Bakersfield, Calif.	S $\frac{1}{2}$ of Sec. 36, T. 26 S., R. 30 E., M. D. M., Kern County	10¢	5 yrs.	11/6/41
1037	Jose Bicondoa Eagleville, Calif.	NW $\frac{1}{4}$, W $\frac{1}{2}$ of SW $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, N $\frac{1}{2}$ of NE $\frac{1}{4}$, E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 16, T. 38 N., R. 17 E., M.D.M., 440 acres, Lassen Co.	7 $\frac{1}{2}$ ¢	5 yrs.	6/17/42
1038	G. W. Heitman Box 835 Red Bluff, Calif.	N $\frac{1}{2}$, Sec. 36, T. 27 N., R. 8 W., M.D.M., 320 acres, Tehama Co.	5¢	5 yrs.	7/22/42

Upon motion duly made and carried, a resolution was adopted approving assignment of Recreational Lease No. 618 (Fish Canyon) from James P. Martin to Leonard B. Swaffield.

Upon motion duly made and carried, it was resolved that, due to the failure of the lessees to pay the rentals within the statutory fifteen day period, the following leases should be cancelled:

Fish Canyon

<u>Lease No.</u>	<u>Name</u>	<u>Rental Due</u>	<u>Date Paid</u>
617	Mrs. A. B. McCormick	6/13/42	7/7/42
619	Harold D. Hyde	6/25/42	Not paid
620	L. A. Lindreth	7/11/42	" "

Grazing Leases

745	Jose Bicondoa	6/17/42	6/13/42
781	Claude E. Halsell, Jr.	7/6/42	Not paid

The Commission, upon motion duly made and carried, resolved that the regular monthly meeting set for the last Thursday of August should be deferred until the next regular meeting date in September.

In connection with the authorization given the Bel Air Bay Club and the Residential Land Corporation for the removal of Groins #24, 25 and 26, upon motion duly made and carried, a resolution was adopted confirming the acceptance of the bond as filed together with the collateral of \$200.00 to be deposited before the removal of Groin #24, \$300.00 to be deposited before the removal of Groin #25 and an additional sum of \$500.00 to be deposited before the removal of Groin #26.

The Commission was informed that under the provisions of the Declaration of Takings Act (46 Stat., 1421, U. S. C. title 40 Sec. 258a) the Judge Advocate General of the Navy has deposited in the registry of the United States District Court the sum of \$1.00 as the estimated fair compensation, based upon appraisal, for the taking of all of Section 36, T. 10 S., R. 14 E., S. B. B. & M., Imperial County, containing approximately 640 acres. Partial payment on purchase of the area at \$1.25 per acre was made on a conditional sales contract of March 30, 1908, but the section is now vacant State school land. The tract is now traversed by the Coachella branch of the All-American Canal and may be susceptible to irrigation from the canal. In view of these circumstances, upon motion duly made and carried, a resolution was adopted authorizing the Attorney General to oppose the valuation of \$1.00 per acre for the property.

As the lessee, due to war conditions, is unable to obtain labor and the necessary supplies to conduct his mining operations, the Commission, upon motion duly made and carried, adopted a resolution waiving the operation requirements of Paragraph Section 2 (b) of State Mineral Lease No. 405 until March 23, 1943.

The Commission was informed that on July 24, 1941, pursuant to its instructions notice was given the Honolulu Oil Corporation that a default existed under State Oil and Gas Lease No. 56 at Rincon. A discussion with the operators of the lease on August 28, 1941, resulted in the rescission of the declaration of default with the understanding that such rescission did not waive the right of the Commission to take like action in the future. The Commission directed that a settlement be made by obtaining a quitclaim of the lease or necessary portion thereof to eliminate the default. The request for such quitclaim has been verbally rejected by the Honolulu Oil Corporation and all attempts at negotiation have been characterized by dilatory tactics on the part of the company. An opinion has been received from the Attorney General that the lease remains in default. After full consideration of the facts involved, the Commission, upon motion duly made and carried, resolved that State Oil and Gas Lease No. 56 should be cancelled for failure to remedy the defaults specified.

The Commission was informed that on July 3, 1925, the State sold, pursuant to Chapter 303 of 1921, Section 36, T. 5 S., R. 4 E., M. D. M., with a mineral reservation of one-sixteenth to the State. The K. D. Winship Estate, 350 Post Street, San Francisco, entered into a ten year lease with Explorers, Inc., Box 488, Livermore, for the extraction of manganese from this land. Under Section 10 of Chapter 303 of 1921, the purchaser of State land upon which is a mineral reservation shall pay to the State an undivided one-sixteenth of the mineral produced or the value thereof at the mine. In view of the circumstances outlined, upon motion duly made and carried, the Commission authorized the acceptance of royalty value in money rather than one-sixteenth of the mineral in kind.

Instructions were issued to defer until the next meeting, (at which Mr. Stanley S. Anderson would be invited to attend) the matter of the termination of Easement No. 23 (Section 675 P. C.) and the removal of the structure and piling from the property.

The Termo, Orco, & West Shore Companies have entered into crude oil purchase contracts with the Texas Company, effective July 1, 1942, for a term of three years for production from Easements Nos. 272, 337, 409, 410, 411, 352 and 312, upon which they have requested Commission approval. These contracts are in the usual form and require measurement under A. P. I. Code, adherence to Federal or State curtailment rule or law, and warranty of title. Upon motion duly made and carried, a resolution was adopted approving these contracts subject to the usual conditions and waivers.

The Commission was informed that a request has been received from the County Auditor and Recorder of Modoc County for the purchase of the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 36 T. 43 N., R. 11 E., M. D. M., Modoc County, for the purpose of providing facilities for the Federal Government to construct an airport. Our records disclose that the value of this land would not be greater than \$5.00 per acre when used as base. Upon motion made by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving the sale of this property to the County of Modoc at \$5.00 per acre.

Consideration was given to a letter received from Mr. Wm. K. Smith, Acting Executive Officer of the California State Personnel Board, relative to the position held by Mrs. Geneva Harvey.

Upon motion made by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted reaffirming the earlier action of the Commission wherein it was decided that the position now held by Mrs. Geneva Harvey, Senior Stenographer-Clerk, should be reclassified to Secretary, State Lands Commission.

Upon motion made by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving the execution of Survey and Construction Permit to the United States Engineer's office, Riverside, for a ninety day period, covering State land in the E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 16, T. 5 S., R. 16 E., S. B. M.

Upon being informed by the Attorney General that the City of San Clemente is willing to sign the easement to maintain and operate a wharf heretofore authorized, provided the term be extended to twenty years from August 1, 1942, and the consideration of \$61.00 be waived, the Commission, upon motion duly made and carried, adopted a resolution authorizing the amendment of the easement as specified.

Upon motion made by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted authorizing the use by the Regional Forester of the SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 11 N., R. 27 W., S. B. M., known as Caliente Mountain for Aircraft Warning Service Station.

The Commission was informed of the request of the Petroleum Industry Committee (appointed by the Petroleum Coordinator for War) for assistance in obtaining certain specific information for the purpose of conducting a study of reservoir performance of the Huntington Beach Tideland Pool. This study has been authorized principally because of the applications which have been filed for drilling into the Jones sand under the tidelands, a productive zone separate from that developed heretofore. Further activities of the division in the development of this zone will be affected by the results of the aforementioned study. The data desired is the monthly and cumulative production of wells for oil, water, gas and gas-oil ratios. Annual totals of these data are published as public information by the Division of Oil and Gas. Upon motion duly made and carried, a resolution was adopted authorizing the extension to the Petroleum Industry of the assistance and data requested.

Upon motion duly made and carried, a resolution was adopted authorizing the payment of the traveling expenses of Ellis E. Patterson for the attendance at this meeting in San Francisco.

Upon motion by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted denying the request of Mr. B. Ballinger for the purchase of the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ and the E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 36, T. 6S., R. 1 W., S. B. M., for the sum of \$2.00 per acre.

In regard to the application for a lease to extract gold from a portion of the abandoned channel of the Tuolumne River by Mr. Tular E. Warner and in accordance with data submitted on previous mineral tests of the area, the Commission, upon motion duly made and carried, resolved that the lands involved contain mineral in commercial quantities and were therefore classified as such and available for lease under the provisions of Division 6 of the Public Resources Code. Publication of a call for bids for the extraction of mineral from this area was authorized after receipt of the required deposits.

There being no further business to come before the Commission, the meeting was adjourned.