

It appears to be in the interest of the State to effect the exchange whether the Division of Forestry obtains the necessary funds to purchase these lands contiguous to the Mountain Home State Forest or not because an agreement might be reached between the State Lands Commission and Division of Forestry which would provide for management by the latter and payment into the school fund of any revenues from the sale of timber. Thus some revenue would result whereas none is now received.

Messrs. DeWitt Nelson, State Forester, and T. F. Arbola, Forest Manager, appeared before the Commission in connection with this matter and presented a map outlining the State, Federal, and privately owned lands in the area.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING AN EXCHANGE WITH THE FEDERAL GOVERNMENT OF THE 101 PARCELS OF SCATTERED TIMBERED SCHOOL LANDS WITHIN THE NATIONAL FORESTS FOR THE 1,419 ACRES OF TIMBERED LANDS ADJACENT TO THE MOUNTAIN HOME STATE FOREST AND FURTHER THAT UPON ACQUISITION OF THESE FEDERAL LANDS THE SAME BE RESERVED FROM SALE FOR A PERIOD OF ONE YEAR AFTER ACQUISITION SO THAT THE DIVISION OF FORESTRY MAY MAKE ARRANGEMENTS FOR THEIR ACQUISITION FROM THE STATE LANDS COMMISSION OR FOR THEIR MANAGEMENT UNDER AN AGREEMENT BETWEEN THE TWO STATE AGENCIES INVOLVED.

IT WAS FURTHER AUTHORIZED THAT THE CONTRACT BETWEEN THE STATE LANDS COMMISSION AND THE DIVISION OF FORESTRY DATED JUNE 2, 1948 BE EXTENDED TO JUNE 30, 1953.

The meeting recessed at this point at 12:15 P.M.

The meeting reconvened at 1:00 P.M.

Note: Lt. Governor Knight not present for the consideration of this item.

28. (AUTHORITY TO INITIATE PROCEEDINGS IN LEASING NEW AREAS FOR TIDELAND OIL AND GAS - W.O. 721) The Commission was informed that the stipulation between the United States Attorney General and Attorney General of California dated July 26, 1947, and the new stipulation dated August 21, 1950 (effective October 1, 1950) requires advance approval by the Secretary of Interior before new leases on tide and submerged lands may be issued. The new stipulation has the additional provision that the Secretary of Interior may request the State to initiate the leasing of tide and submerged land under State law.

In order to issue new leases for oil and gas development the following steps are involved:

1. Determination by Executive Officer and staff that tide and submerged lands are being drained or that there is a threat of drainage.
2. Request approval of Secretary of Interior to offering the lands for lease.
3. Obtain authorization from the Commission to publish notice of intention to receive bids for a lease.
4. Receive and open bids.
5. Notify Secretary of Interior of bids and receive approval for issuance of lease.

6. Commission to authorize acceptance or rejection of bids and if accepted issue lease. (This concurrent with 5)

At this time there are two areas where derricks have been erected within 800 feet of the tidelands and in one drilling has commenced. These areas are south of Santa Clara River, Ventura County, and on the 101 Ranch above Gaviota in Santa Barbara County. In view of the procedure now necessary to issue new leases and in the interest of reducing to a minimum the time involved therein:

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER, TO PROCEED IN THE PRELIMINARY STEPS 1 AND 2, ABOVE NOTED, WITHOUT PRIOR REFERENCE TO THE COMMISSION. UPON COMPLETION OF ITEMS 1 AND 2 THE MATTER TO BE REFERRED TO THE STATE LANDS COMMISSION FOR AUTHORITY TO PUBLISH NOTICE TO RECEIVE BIDS.

Note: Lt. Governor Knight arrived at the meeting at this point.

29. (RIGHT OF WAY TIDE AND SUBMERGED LANDS, OIL TERMINALS COMPANY, CRESCENT CITY HARBOR - W.O. 637. P.R.C. 541; P.R.C. 502) The Commission was informed that an application has been received from the Oil Terminals Company, San Francisco petroleum products transporters, for the construction and maintenance of two dolphins at the outer end of the inner breakwater at Crescent City, and for a pipe line right of way, seaward of the ordinary high water mark, and on the inner breakwater and sand barrier. The upland is under the control of the Oil Terminals Company. On March 18, 1950, a large portion of the State's lands within the Crescent City Harbor was leased to the Crescent City Harbor District for their management and operation for the benefit of commerce and navigation. The application of the Oil Terminals Company to the State Lands Commission was held in abeyance for several months during which negotiations were conducted with the Crescent City Harbor District by the Oil Terminals Company regarding terms and costs of obtaining rights of way for the proposed facilities.

These negotiations have not been consummated, the Oil Terminals Company having offered a flat \$1,000 per year while the Harbor District insisted upon applying a tariff recently adopted which would have required an annual payment by the Terminals Company of at least \$5,000 per year on the basis of the tonnage expected to be handled. By way of contrast, the requirement under State Lands Commission policy (@ \$10.00 plus 2¢ per lineal foot of length of right of way) would be only \$100 per year. Meanwhile, the Oil Terminals Company has applied to the Corps of Engineers, Department of the Army, and has been advised that it will receive a permit for the proposed installation; it has also revived its application to the State Lands Commission for the necessary easements.

Information furnished the Division of State Lands by the Crescent City Harbor District with respect to negotiations with the Oil Terminals Company is that the District believes that the new tariff should apply uniformly throughout the Harbor regardless of the lack of improvements or facilities provided by the District and that exception should not be made in favor of the Oil Terminals Company. Later information furnished by the Harbor District shows a substantial deviation from the terms of the tariff in the case of fish companies using the Citizens' Dock (a facility under the control of the District).

Under the provisions of paragraph 6 of the lease granted to the Harbor District by the State Lands Commission, the latter reserves the right to issue leases and easements not inconsistent with the provisions of the terms of the lease which are to further the interests of commerce and navigation. In view of the impasse which has occurred and which does not appear to be in such interests, it is believed that the requested easement should be granted by the Commission.

Messrs. Lyle Prickett, Al Lehman, and George Grant, appeared before the Commission upon behalf of the Crescent City Harbor Commission, Mr. Tom Crowley appeared upon