

2. (VACANT FEDERAL LAND OBTAINED THROUGH USE OF BASE, LIEU LAND APPLICATION NO. 4846, SACRAMENTO LAND DISTRICT, LAKE COUNTY, ERNEST M. MCKEE, SR. - S.W.O. 5403.)

The following report was presented to the Commission:

"At its meeting of August 15, 1956, as a result of the appearance of Mr. McKee and his attorney, Mr. Tocher, the Commission took the following action with respect to this application by Mr. McKee:

'THE COMMISSION DETERMINES THAT IT IS TO THE ADVANTAGE OF THE STATE TO SELECT THE FEDERAL LAND COMPRISED IN THE S $\frac{1}{2}$, W $\frac{1}{2}$ OF NE $\frac{1}{4}$ AND SE $\frac{1}{4}$ OF NE $\frac{1}{4}$ OF SECTION 15, T. 11 N., R. 8 W., M.D.M., CONTAINING 440 ACRES IN LAKE COUNTY; THE COMMISSION FINDS THAT SAID FEDERAL LAND IS NOT SUITABLE FOR CULTIVATION, AND APPROVES THE SELECTION OF THE SUBJECT LAND, WITH THE UNDERSTANDING THAT THE TIME LIMIT FOR DEPOSITING THE ADDITIONAL MONEY REQUIRED TO MEET THE APPRAISED PRICE BE EXTENDED TO OCTOBER 15, 1956 TO GIVE THE APPLICANT ADEQUATE TIME TO PRESENT HIS RECOMMENDATIONS TO THE STAFF, AND THAT THE STAFF IN TURN MAKE ITS RECOMMENDATIONS TO THE COMMISSION AT THE EARLIEST POSSIBLE DATE, WITH THE APPLICANT AND THE STAFF TO AGREE ON QUESTIONS TO BE POSED TO THE ATTORNEY GENERAL AS TO THE APPROPRIATE TIME OF APPRAISAL.'

"Subsequent to the above action, the Executive Officer extended to 5 p.m. on November 14, 1956, the time limit for Mr. McKee to deposit the additional money to meet the appraised price, and to give the applicant time to present his recommendations to the staff, and to permit the applicant and the staff to agree on questions to be posed to the Attorney General.

"Since October 15, 1956, the date on which the Executive Officer granted the extension above mentioned, the following developments have occurred:

- (1) The attorney for Mr. McKee was dilatory until October 22, 1956, in presenting his data for inclusion in the questions to be posed to the Attorney General.
- (2) The request for the opinion from the Attorney General has not been submitted as of this date.
- (3) The attorney for Mr. McKee has asked for an additional 30-day extension.
- (4) In making the request for the additional extension, Mr. McKee's attorney indicated that unless the extension is granted his only recourse would be to file a mandamus action against the Commission to require sale of the land upon his terms.

"It is suggested that even with the additional 30-day extension, if

the Attorney General's opinion and the negotiations with Mr. McKee are still unsatisfactory to him, the Commission may then be subject to a mandamus. However, it is suggested that such action be avoided at this time pending further discussion with Mr. McKee."

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

THE ASSISTANT EXECUTIVE OFFICER IS AUTHORIZED TO GRANT, ON BEHALF OF THE COMMISSION, AN ADDITIONAL 30 DAYS, OR UNTIL DECEMBER 15, 1956, FOR MR. MCKEE TO DEPOSIT THE ADDITIONAL MONEY REQUIRED TO MEET THE APPRAISED PRICE ON HIS LIEU LAND APPLICATION NO. 4846, OR OTHERWISE TO NEGOTIATE WITH MR. MCKEE FOR ALTERNATIVE METHODS FOR CONCLUDING THIS TRANSACTION, WHICH ALTERNATIVE METHODS SHALL BE REPORTED TO THE COMMISSION FOR ITS ACTION AT A MEETING PRIOR TO DECEMBER 15, 1956.

3. (HUNTINGTON BEACH CITY PIER - GEO., ORANGE COUNTY.)

A report was presented to the Commission with respect to the controversy between the State and the City of Huntington Beach regarding the failure of Huntington Beach to obtain a State permit for occupancy of State land with its municipal pier.

After a brief discussion, the Commission deferred action on the foregoing report with the understanding that it was to be presented again at the regular meeting to be held in December, at which time the City of Huntington Beach will be invited to present its position to the Commission.

4. (DRY GAS MARKET VALUE, LONG BEACH TIDELANDS - W.O. 2323.)

The following report was presented to the Commission:

"Under Section 6 of Chapter 29, Statutes of 1956, 1st S.S., the stipulation provided for in the Act requires that 'the reasonable wholesale market value of said dry gas' (all dry gas derived from the Long Beach tidelands which can be economically utilized by the Municipal Gas Department) 'shall be determined from time to time jointly by the City of Long Beach and the State Lands Commission in the light of prices for processed dry gas prevailing from time to time at absorption plants where wet gas produced in the Los Angeles basin is being processed.'

"In accordance with this requirement, independent determinations have been made by the Municipal Gas Department of the City of Long Beach and the State Lands Division as to the reasonable wholesale dry gas prices prevailing during the period February, 1956 through October, 1956. Comparison of the conclusions based on prices paid for dry gas at Los Angeles basin absorption plants by the majority wholesale purchasers of dry gas show that the average effective price was \$.1871 per Mcf. The bases for this determination will be presented to Counsel for the City of Long Beach and to the office of the Attorney General for verification that the subject determination is in accord