

1 TRANSCRIPT OF
2 MEETING
3 of
4 STATE LANDS COMMISSION
5 LOS ANGELES, CALIFORNIA
6 APRIL 28, 1960 - 9 A.M.

7 PARTICIPANTS:

8 THE COMMISSION:

9 Messrs. Glenn M. Anderson, Lieutenant Governor, Chairman
10 Alan Cranston, Controller
11 John W. Carr, Director of Finance

12 F. J. Kortig, Executive Officer

13 Fred Zweiback, Executive Secretary to
14 Lieutenant Governor Anderson

15 OFFICE OF THE ATTORNEY GENERAL

16 Mr. Jay L. Shavelson, Deputy Attorney General

17 APPEARANCES:

18 Mr. H. E. Ridings, Jr.
19 President, Board of Harbor Commissioners
20 City of Long Beach

21 Mr. Francis C. Whelan, Attorney-at-Law
22 Representing Adrienne C. Burke

23 Mr. R. W. Ragland, Vice President
24 Richfield Oil Corporation
25
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I N D E X
(IN ACCORDANCE WITH CALENDAR SUMMARY)

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1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order.

3 First item on the agenda is the confirmation of the
4 minutes of the meeting of February 25th. Is there a motion
5 to dispense with the reading?

6 MR. CARR: So move.

7 MR. CRANSTON: Second.

8 GOV. ANDERSON: Moved and seconded - so ordered.

9 Item 2 is the special order of business -- Long
10 Beach tide and submerged lands boundary determination, pursuant
11 to Chapter 2000/57. Mr. Hortig?

12 MR. HORTIG: Mr. Chairman, as your agenda item notes,
13 the Commission continued consideration of the specific problem
14 to its next scheduled meeting as of March 24th, the next
15 scheduled meeting being today. Representatives of the City
16 of Long Beach have been informed that the boundary matter is
17 to be considered today and representatives of the City of Long
18 Beach are present with us. The Chairman may wish to call upon
19 the City of Long Beach initially for report of status on this
20 matter.

21 GOV. ANDERSON: Who is representing the City of
22 Long Beach today in this matter?

23 MR. RIDINGS: Gentlemen, I am H. E. Ridings, Jr.,
24 president of the Board of Harbor Commissioners of the City.
25 I have been asked to appear in behalf of the City and ask for
26 another continuation of the matter.

1 I am happy to report that progress is being made
 2 rapidly toward unitization of Fault Block IV, since all the
 3 personnel connected in the Unit II and III organizations are
 4 now free to devote their time to this. As recently as
 5 yesterday, in a management meeting of Fault Block IV consider-
 6 able progress has been made toward unitization.

7 To bring this matter to a head at this time would
 8 cause a serious and very definite problem towards finishing
 9 the unitization in Fault Blocks IV and V and, in consequence,
 10 the solving of the problems needing correction. It seems to
 11 me to be of great importance to complete the unitization of
 12 Fault Blocks IV and V in order to complete the subsidence
 13 control program and we are very fearful to bring this matter
 14 to a head prior to unitization, or prior to the time the major
 15 details have been agreed upon in complete detail by the man-
 16 agement committees of the two fault blocks, would be disastrous
 17 to the accomplishment of this goal -- which I think is shared
 18 in by all of those present.

19 In addition, there will be a meeting of the House
 20 Appropriations Committee in Washington next Tuesday for
 21 appropriations on construction work of a subsidence remedial
 22 nature in the Long Beach Naval Shipyard; and we very definitely
 23 think this would cause very considerable misunderstanding and
 24 confusion in Washington if this were brought to a head now
 25 rather than at a later date.

26 On behalf of the subsidence correction program and

1 the efforts toward unitization, we sincerely plead that you
2 lay it over again until we are able to bring these matters
3 much closer to a conclusion than we are at this time.

4 GOV. ANDERSON: Thank you. Anyone else from the
5 City of Long Beach? (No response) If not, from the Attorney
6 General's office?

7 MR. SHAVELSON: My name is Jay Shavelson, Deputy
8 Attorney General. There is nothing further on the Long Beach
9 boundary problem that our office has to report. I came down
10 here in case any of the members of the Commission had any
11 questions on this, but the status quo is the same as it was
12 at the last meeting and many meetings before that.

13 GOV. ANDERSON: Are there any questions from members
14 of the Commission? Any comments?

15 MR. CARR: I'd like to ask Mr. Shavelson -- have the
16 negotiations between the Attorney General's office and the
17 City of Long Beach ceased entirely or are they going on at all?
18 Has there been any communication between the Attorney General's
19 office and the City of Long Beach since the last time this
20 was laid over?

21 MR. SHAVELSON: No sir, we haven't actually heard
22 from the City of Long Beach for a number of months.

23 MR. CARR: Has either side made a suggestion or a
24 proposition to the other side? Whose turn is it to speak at
25 the present time?

26 MR. SHAVELSON: I think it's the turn of the City.

1 We had carried on a long process of complicated negotiations
2 and I think we had in general terms worked out -- made
3 definite progress towards a settlement; and then it's my
4 understanding that the City Council was not interested in a
5 settlement of that nature, and since that time we haven't
6 heard from the City. So I think it's up to the City at this
7 point to come up with any possible proposal.

8 MR. CARR: Mr. Chairman, I think the fact that the
9 State of California is represented by this Commission in this
10 matter and has cooperated up to this time with the City to
11 some profit -- we can look back at the fact that progress has
12 been made so far at least partly due to the fact that we have
13 gone along with the City of Long Beach in helping them solve
14 their problems and in giving them time to work them out --
15 I don't know what Mr. Ridings had in mind, or what the City
16 of Long Beach has in mind as a further extension at this time;
17 I think the fact that we have got this Chapter 2000/57, which
18 definitely constitutes a mandate to the State Lands Commis-
19 sion to arrive at a solution of this tidelands boundary indi-
20 cates that this cannot go on forever; but I would move that
21 we grant another thirty-day extension.

22 MR. GRANSTON: I second the motion.

23 GOV. ANDERSON: It has been moved and seconded.
24 Any further discussion? If not, all in favor of the motion?
25 (Unanimous "Aye") Passed unanimously. Thank you.

26 MR. HORTIG: Mr. Chairman

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GOV. ANDERSON: Mr. Hortig.

MR. HORTIG: Are we correct, Mr. Carr, in the assumption that in general terms your motion can be considered as to be a deferment to the next meeting of the Lands Commission in the event that should not be thirty days?

MR. CARR: Pardon me, Mr. Hortig, I meant that to be the next scheduled meeting.

GOV. ANDERSON: If there is no objection, that will be so ordered.

Item 3 on the agenda is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute; and the first applicant is the Fish and Game department, application (a); applicant (b) - - if there are any comments you wish to make on these, let me know or I will go right through them - - applicant (b) - County of Mono; applicant (c) - County of Stanislaus and Merced.

MR. HORTIG: For the benefit of the Commission, none of the foregoing three items have any record protests or any objections from any parties relevant to the proposed types of operations contemplated under the permits to be granted.

GOV. ANDERSON: Is there a motion?

MR. CRANSTON: I move approval.

MR. CARR: Second.

GOV. ANDERSON: It has been moved and seconded, carried unanimously, that all items of Classification 3 be approved.

1 Item 4 on the agenda -- Permits, easements, leases,
2 and rights-of-way issued pursuant to statutes and established
3 rental policies of the Commission. The first application,
4 applicant (a) is A. R. Brooks; applicant (b) Kenneth F.
5 Ferguson. Mr. Hortig?

6 MR. HORTIG: Mr. Chairman, the calendar item on
7 pages 13 and 14, and specifically on page 13, refers to 120
8 acres in the southeast quarter of a specific Section 16.
9 These 120 acres are a portion only of the southeast quarter
10 and, therefore, it is desired that the record indicate that
11 the specific portion of the southeast quarter referred to is
12 the west half, and the west half of the east half of the
13 southeast quarter.

14 GOV. ANDERSON: Where will that show?

15 MR. HORTIG: That will show on line 3, page 13; and
16 in the body of the recommendation, approximately the center
17 word, the reference is to the southeast quarter. The specific
18 portions of the southeast quarter will be there detailed.
19 The full southeast quarter would contain 160 acres, but only
20 120 acres of vacant State school land are available, in fact,
21 in the southeast quarter. The 120-acre reference in the item
22 is correct.

23 GOV. ANDERSON: So that would read in the third line -
24 how would that be?

25 MR. HORTIG: It would read: "Vacant State school
26 lands in the west half and west half of the east half of the

1 southeast quarter."

2 GOV. ANDERSON: The west half of the east half?

3 MR. HORTIG: The west half and the west half of the
4 east half of the southeast quarter. This sounds cumbersome
5 but this is the standard form of legal description on portions
6 of regular sections

7 GOV. ANDERSON: (To reporter) Do you have that
8 clear in there?

9 REPORTER: Yes, I have.

10 GOV. ANDERSON: Item (c) Carl Newbury and L. A.
11 Mehaffey.

12 Under item (d) we have several individual items:
13 First one is Mayberry Slough, near Antioch, in Sacramento
14 County; and then item (2) under this - San Joaquin River at
15 Stockton - - I have a request from Senator Short that items
16 (2) and (4) be delayed.

17 MR. HORTIG: As you have indicated, Senator Short
18 has requested that these matters, items (2) and (4) specifi-
19 cally, be taken off calendar to the end that they may be re-
20 scheduled in an area adjacent to San Joaquin County and to the
21 end that Senator Short and those people interested in these
22 applications may receive notice. From further conversation
23 with Senator Short, if the deferment be to the next State
24 Lands Commission meeting in Sacramento this would be satis-
25 factory for Senator Short's purposes. This is so recommended.

26 GOV. ANDERSON: It is all right that we have the

1 understanding that Items (2) and (4) will be delayed to our
2 next meeting in Sacramento.

3 So we will skip Item (2) and (4) , and go to
4 Item (3) - Sacramento River, and Item (5) - San Joaquin River,
5 east of Antioch; (6) is Sacramento River, southeast of Red
6 Bluff in Tehama County; and (7) Colorado River in San Ber-
7 nardino County.

8 Then we have Item (e) Pullman Building Company - -
9 MR. HORTIG: For the benefit of the Commission,
10 the Small Craft Harbors Commission were informed of the con-
11 sideration of this application on March 10, 1960. They have
12 not indicated any disapproval.

13 As Mr. Carr will recall, at his suggestion the
14 staff did arrange for liaison, for the Small Craft Harbors
15 Commission's review of all potential boat harbor and boat
16 landing operations, on the basis that they will be informed
17 in advance and if there are to be any objections they will
18 be presented at the meeting at which the item will be con-
19 sidered. There has not been any objection to this item.

20 MR. CARR: Mr. Chairman, I think in view of the fact
21 the Small Craft Harbors Commission's capacity, their finances,
22 are limited; and inasmuch as there is a great deal of demand
23 for facilities of this kind, that whenever responsible private
24 parties are willing and able to meet the conditions I would
25 be in favor of approving this. Just as a way of comment, I
26 think it is a good thing to encourage these things, as we have

1 previously said, but I do think Small Craft Harbors should
2 be contacted.

3 GOV. ANDERSON: Any further comment?

4 MR. HORTIG: No sir.

5 GOV. ANDERSON: (f) is the Shell Oil Company and
6 then (g) is the Socony Mobil Oil Company, and (h) is the
7 Texaco Incorporated.

8 MR. CRANSTON: May I ask, in regard to (f), are
9 there any safeguards, Frank, that are necessary or feasible
10 in the protection of the beaches, etcetera? I presume nothing
11 like that is involved in their exploration, but ~~is there any~~
12 safeguards?

13 MR. HORTIG: Safeguards are not only necessary but
14 are included in both the permits as issued by the State Lands
15 Commission, Mr. Controller, and in the fact that there is in
16 continuance attendance on board, during any exploration opera-
17 tions, an inspector of the State Lands Division -- to be sure
18 that the safeguards are being employed and the terms and con-
19 ditions of the permit are being complied with.

20 GOV. ANDERSON: Do you notify the counties in each
21 of these cases?

22 MR. HORTIG: Not in the case of our geological permits,
23 Mr. Chairman. The procedure which has been established and
24 followed by the Lands Commission for years, with satisfaction
25 expressed on the part of the counties, has been to be certain
26 to notify the counties of geophysical exploration operations

1 which will use explosives. Geological operations are conducted
2 from boats, the operations of which are no more obnoxious to
3 onshore activities than the passing of a fishing boat or any
4 kind of boat.

5 GOV. ANDERSON: Then a motion will be in order to
6 approve all of those items under Item 4 on the agenda, ex-
7 cluding those two that Senator Short requested be held over
8 to our next meeting in Sacramento.

9 MR. CRANSTON: So move.

10 MR. CARR: Second.

11 GOV. ANDERSON: Moved and seconded. If there is
12 no objection, passed unanimously.

13 Item Classification Number 5 is the City of Long
14 Beach projects -- approval required pursuant to Chapter 29/56,
15 the First Extraordinary Session, and the first project is
16 (a) the Armed Services Buildings Purchase. Mr. Hortig?

17 MR. HORTIG: Mr. Chairman, Item (a) and Item (b)
18 obviously relate to the standard type of application for
19 advance approval of preliminary expenditures relating to the
20 projects to be undertaken by the City of Long Beach in its
21 subsidence remedial operations -- the amounts ultimately to
22 be allowed as subsidence deductions to be determined by final
23 engineering review and accounting review by the State Lands
24 Commission when the projects are actually completed.

25 Items (c) and (d) represent approvals desired for
26 completed projects, in which the completed final amounts

1 allowable for subsidence deduction have been determined, where
2 the final engineering audit and review has been completed,
3 and the amounts listed are recommended for approval as final
4 subsidence deductions for these specifically enumerated
5 projects.

6 MR. CRANSTON: I move approval.

7 GOV. ANDERSON: Of all four items -- (a), (b), (c),
8 and (d)?

9 MR. CRANSTON: Yes.

10 MR. CARR: I'd like to ask one question before
11 seconding Mr. Cranston's motion. What is the anticipated
12 total cost of these two projects for which this request is
13 made for the beginning expenditures?

14 MR. HORTIG: Actually, Mr. Carr, we are not even
15 reasonably certain of the estimated total cost. This is
16 actually why there is a requirement for preliminary engineering
17 in order to arrive at the point where contract estimates can
18 be prepared, at which time for the first time we will have a
19 realistic estimate of the total cost of the project.

20 MR. CARR: What is the scope of the projects?

21 MR. HORTIG: In the case of Item (a), of course,
22 this is to construct a new Armed Services Y.M.C.A. Building
23 to replace that which is no longer habitable and usable by
24 reason of subsidence; and in the case of the Mitchell Avenue
25 Road and Railroad, it is one of the series of projects which
26 the Harbor Department has heretofore undertaken of raising

1 subsided streets and railroad elevations up to a future safe
2 elevation. Both types of operations as to their general
3 intent qualify under Chapter 29, 1956 in principle and have
4 been so qualified by legal counsel in the office of the
5 Attorney General.

6 MR. CARR: I second the motion, Mr. Chairman.

7 GOV. ANDERSON: Mr. Carr seconds the motion, moved
8 by Mr. Cranston. No objection, it is passed unanimously, on
9 Items (a), (b), (c), and (d) under Item Classification Number 5.

10 Item Classification Number 6 -- the sales of vacant
11 State school lands. The first applicant is applicant (a) -
12 Adrienne C. Burke; applicant (b) - Adrienne C. Burke; appli-
13 cant (c) - William M. East; applicant (d) - Alfred Fentzling
14 and Tommee Fentzling; applicant (e) is Leo E. Frooness;
15 applicant (f) - Harry S. Hooper and Warren A. Tinsley; appli-
16 cant (g) - William J. Olson; applicant (h) - John F. Semanza;
17 applicant (i) is Eugene Smith; and applicant (j) is G. Kelton
18 Steele. Any comments?

19 MR. HORTIG: As the recommendations show, each item
20 equaled or exceeded the appraised value advertised as accept-
21 able for the sales, and the sales are recommended.

22 MR. CRANSTON: I move approval.

23 GOV. ANDERSON: It has been moved

24 MR. CARR: Second.

25 GOV. ANDERSON: .. and seconded by Mr. Carr -- passed
26 unanimously.

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GOV. ANDERSON (continuing) Item 7 is the sale of vacant State school lands in Inyo County at appraised cash price of \$3,200 to Adrienne C. Burke and rejection of her application for the northwest quarter of Section 36. Mr. Hortig, would you discuss this?

MR. HORTIG: Yes, Mr. Chairman, and in consideration of supplemental information received from interested agencies and users of portions of the land included in the application and original publication, and also in consideration of recent (up to late yesterday afternoon) discussions and further review of the legal requirements with the office of the Attorney General, it appears that the only legal and equitable recommendation which the staff can present to the Commission today is an amendment of what is on the prepared agenda before you -- in the sense that the protection of the State's interests in these lands, it appears, can be fully clarified only in the event that the pending application for purchase be rejected by the Lands Commission, which it is within the province of the Lands Commission to do; and, conversely, that this recommendation is justified in view of the fact that the type of title that could now be conveyed by the State Lands Commission as of this date is not actually the type of title that was contemplated at the time of publication and offer of this land for sale, and actually there might be a question of equity of even offering it to the bidder at this time in view of the fact that what can be offered and the

1 title that could be conveyed is not that on which the bidder
2 submitted a bid.

3 Therefore, it is recommended that with respect to
4 the pending purchase application for the northwest quarter of
5 Section 35, Township 5 South, Range 36 East, Mt. Diablo Meridian,
6 the sole bid of Mrs. Adrienne C. Burke be rejected; and that
7 the Lands Commission authorize the withdrawal of the specific
8 land from the vacant land list of the State of California
9 pending clarification of the title status.

10 GOV. ANDERSON: How long would this take?

11 MR. HORTIG: A matter of a minimum of thirty, and
12 possibly sixty days, until the land could be recommended to
13 be restored to the vacant land list for sale -- with all of
14 the problems of the State agencies and other trespassing occu-
15 pants of the land.

16 GOV. ANDERSON: That doesn't seem to be the fault
17 of the person making the application. That all seems to be
18 the fault of the State in allowing this land to be trespassed
19 upon.

20 MR. HORTIG: We can only agree with you completely,
21 Mr. Chairman.

22 MR. WHELAN: May I be heard before the Commission
23 rules? My name is Francis C. Whelan. I am representing the
24 applicant, Adrienne C. Burke. With respect to the statement
25 of Mr. Hortig, I would like to point out that we have on
26 several occasions stated, either in writing or orally, that we

1 would eliminate from the application in a manner that would
2 take care of the State's interests in this, the maintenance
3 station lands as well as the highway itself, if the highway
4 itself isn't expressly excepted by the terms of the application
5 inasmuch as the application states it is subject to any ease-
6 ments that have been granted for a right-of-way and there has
7 certainly been a dedication of this highway long since.

8 As far as these other encroachers are concerned, we
9 don't have any desire to create any inequitable situations as
10 far as they are concerned and we notified the Lands Commission
11 staff in writing several weeks ago that we would grant, enter into
12 binding agreements - - that I would consider binding in the
13 interests of Adrienne C. Burke -- to grant to these utilities
14 the easements conforming to their present usage.

15 We also advised this college, which has been using
16 a ditch and an underground pipeline, that we would grant them
17 easements and enter into a binding agreement which would give
18 them that right. In other words, Adrienne C. Burke is not
19 attempting in any way to gouge these people.

20 Several weeks ago I talked to Mr. Smith, Public
21 Land Officer, and I wrote him about I would be willing to
22 discuss the matter of entering into these binding agreements
23 with these people who are thus encroaching, and was advised
24 that I would probably be hearing from him. I have never heard
25 anything from him.

26 Now, it seems to me that the applicant here is

1 entitled to proceed, that we could put this matter over until
2 the next calendar date, and in the meantime these things
3 could be eliminated. I don't think that there is any problem
4 about protecting the interests of the State, and there is no
5 problem about giving to these people rights which, actually,
6 they have not had up to the present time; but there is no
7 problem about doing this. There is no reason why that could
8 not be done and the application entertained at a later date
9 by the Commission without rejection.

10 MR. CARR: Mr. Chairman, this Deep Springs College
11 has been, I believe, on this location for over fifty years
12 and while they may not have legally determined their rights
13 to this right-of-way or what not -- I think the point brought
14 up by Mr. Hortig as to the necessity of having the legal
15 question settled first, rather than after the sale, seemed
16 rather important to me. I think that rather than proceed
17 with the sale and then settle the legal questions later, it
18 would be better to follow his suggestion and clear these legal
19 matters up first. That would be my comment.

20 MR. HORTIG: Mr. Chairman, in furtherance of the
21 thought as expressed by Mr. Carr, the practical solution as
22 he recommended is the one that the staff came to after a con-
23 sideration of all the legal complications that are inherent
24 in any of the tentative procedures that Mr. Whelan outlined.

25 I might also point out that during the course of
26 the consideration of this item Mr. Whelan has had conferences

1 both with the balance of the staff group and with myself. I
 2 think all of the staff were fully aware of the proposals on
 3 behalf of his client and he was aware that the staff was so
 4 aware; so I wanted to point out that I dont believe because
 5 of the last statement, that he had not heard the last time
 6 around from Mr. Smith, that there were any reservations in Mr.
 7 Whelan's mind, although he can speak on that -- that he was
 8 fully aware of all the problems the staff had under considera-
 9 tion.

10 MR. WHELAN: Might I make my remark more clear? I
 11 meant I had not heard from these people who wished to be
 12 protected in their use, in their parts of the State lands. I
 13 was ready and willing to hear from them. I actually didn't
 14 know what the identity of the college was until receiving this
 15 calendar item.

16 MR. HORTIG: Concurrently, the State Lands Commis-
 17 sion did hear from all these people who were desirous of
 18 protecting their rights, and this does bring to mind the
 19 question that might be the only alternative, I believe, to
 20 the recommendation which the staff has made here this morning --
 21 which, if the Chairman please, I would like to put to Mr.
 22 Whelan as a question.

23 Mr. Whelan, would your client consent to allowing
 24 the State Lands Commission to grant all easements and rights
 25 of whatever type as requested by all the present occupants of
 26 subject land before the State sells the land to the applicant?

1 MR. WHELAN: Now, may I just make this one statement?
 2 I do not know the exact amount of easements requested. I
 3 believe I have heard that the Deep Springs College wants a
 4 twenty-foot easement for an existing ditch line. I may be
 5 wrong about this -- but a twenty-foot easement for an existing
 6 ditch line, which I am informed is four feet, approximately
 7 four to six feet in width. Now, I know that I discussed this
 8 feature, I believe it was with the attorney for the Deep
 9 Springs College; and I said an easement for maintenance of
 10 the existing ditch, for egress and ingress for maintenance of
 11 the existing ditch, would protect them on their right to go
 12 on the land, even though they are using more than the existing
 13 ditch itself. But I frankly see no reason why the easement
 14 should be twenty feet in width, which would mean my client
 15 would have to build a twenty-foot bridge instead of a culvert.
 16 I see no reason why, if we are sure they are reasonable ease-
 17 ments I am sure that is perfectly all right and that can be
 18 done.

19 I don't know how wide the easements are by the
 20 utilities. I understand in that area -- I talked to Mr.
 21 Davis, who told me they are frequently twenty-five or a
 22 hundred feet. I don't know if they are seeking a three hundred
 23 easement or what the amount is. If I could have some statement
 24 on that, I could give a firm answer to that.

25 MR. GARR: Mr. Chairman, I think that the staff
 26 recommendations are reasonable and I think that they could be

1 carried out without prejudicing the rights or interests of
2 your clients whatsoever. May I ask what the hurry is?

3 MR. WHELAN: May I say I believe I think there is a
4 serious question as to whether or not this land can be with-
5 drawn from sale and then restored and give any prior rights
6 to my applicant.

7 GOV. ANDERSON: Can we delay action upon this and
8 still protect Mrs. Burke?

9 MR. HORTIG: By not rejecting the application, the
10 application and the purchase application of Mrs. Burke will
11 still be up for consideration by the Commission.

12 MR. WHELAN: I believe the way the question Mr.
13 Hortig put to me can be answered satisfactorily -- if we could
14 put this matter over and not reject it, but just giving us time
15 to do what he has suggested.

16 GOV. ANDERSON: How about deferring it to next meet-
17 ing and letting you and Mr. Whelan work out these problems?

18 MR. HORTIG: We would be most happy to work on it
19 with our legal counsel.

20 GOV. ANDERSON: Isn't that - -

21 MR. CARR: I think so. I think it is useless to
22 discuss these things here, but when it comes to ditch mainten-
23 ance, you can't maintain a four-foot ditch from a four-foot
24 easement. You can't run a boat up the ditch -- you have to
25 have machinery. I don't know how deep the ditch is at Deep
26 Springs College. I do know some people who have graduated from

1 Deep Springs College and they have an interest in Deep
2 Springs College; and if anybody has prior rights around here
3 I think it is Deep Springs College, but I think you could
4 work it out.

5 MR. WHELAN: I think an easement for egress and
6 ingress gives you that right.

7 MR. CARR: I wouldn't vote affirmatively on this
8 unless I am satisfied these people -- they may be encroachers,
9 but I think it has been in good faith; so I think if you could
10 work it out, Mr. Chairman, I think that's a good solution.

11 GOV. ANDERSON: How about a motion to defer to next
12 meeting? That will protect Mrs. Burke's rights.

13 MR. CRANSTON: So move.

14 MR. CARR: Second.

15 GOV. ANDERSON: Moved and seconded this item be
16 deferred to our next meeting, carried unanimously.

17 Next item is Item Number 8 -- authorization for
18 Executive Officer to proceed with publication of notices that
19 the Commission intends to consider offering leases for the
20 extraction of oil and gas from the area of tide and submerged
21 lands not included in existing State oil and gas leases lying
22 between the westernmost State oil and gas lease in the Elwood
23 Field and Point Conception, Santa Barbara County, and extending
24 seaward three nautical miles. Mr. Hortig?

25 MR. HORTIG: As the Commission will recall, in an
26 informative discussion at the last regular meeting, it was

1 reported that a suggestion had been received from the Shell
2 Oil Company that the Commission consider offering for oil and
3 gas lease under the Public Resources Code something on the
4 order of thirty-seven thousand acres of tide and submerged
5 lands offshore in Santa Barbara County, to be leased pursuant
6 to competitive public bidding.

7 The statutes require -- and specifically, Section
8 6873.2, Public Resources Code -- that before offering any
9 tide or submerged land area for an oil and gas lease, the
10 Commission shall publish notice thereof, and any affected city
11 or county may, within thirty days after the publication of
12 such notice, request in writing to the Commission that a hear-
13 ing be held with respect thereto. The Commission in its dis-
14 cretion and irrespective of any such request may hold such
15 hearing as it shall determine.

16 Therefore, it is recommended that the Commission
17 authorize the Executive Officer to proceed with the publication
18 of the notice required by Section 6873.2 of the Public Resources
19 Code that the Commission intends to consider offering leases
20 for the extraction of oil and gas from the area of tide and
21 submerged lands not included in existing State oil and gas
22 leases lying between the westernmost State oil and gas lease
23 in the Elwood Field and Point Conception, Santa Barbara County,
24 and extending seaward three nautical miles.

25 Up to this point, the recommendation for authorization
26 is to provide the authorization to comply with procedural

1 requirements specified by the statutes.

2 GOV. ANDERSON: Is there someone in the audience
3 that wishes to talk on this matter on the agenda? I have been
4 informed there was. State your name.

5 MR. RAGLAND: Mr. Chairman, my name is R. W. Ragland.
6 I am vice-president of that corporation and representing them
7 here today. (Richfield) Since Parcels A, B, C, D, and E in
8 this same area were leased in 1958, the Legislature has amended
9 Section 6827 of the Public Resources Code to clearly provide
10 for still another alternative method of leasing tide and sub-
11 merged lands and that is on the basis of a flat royalty being
12 the biddable factor.

13 I am not speaking to the point of Mr. Horig's
14 motion, but I would like to suggest to the Commission that a
15 hearing on this matter -- that the best method of leasing
16 this thing be made the subject of a public hearing.

17 MR. CRANSTON: Mr. Chairman, I would like to say I
18 am very much in favor of having such a public hearing for my
19 own edification on this subject and for the guidance of the
20 board, and seeking to make the best possible arrangements, if
21 we make any arrangements, for leasing this potential oil field
22 at this time; and I would like to suggest to the Commission
23 that we have such public hearing during the time where we are
24 reaching the formalities where we can offer these, if we do
25 so; and I would like to ask, if we agree to hold such hearing,
26 that every effort be made to notify all interested people in

1 the State within the oil industry and without the oil industry
2 and that we hold such hearing and seek advice to the State on
3 making the best possible arrangements for such leasing. I
4 would like to ask that people come to us with their points of
5 view in regard to bonuses and royalties and various combina-
6 tions of bonuses and royalties; and, secondly, that we be
7 advised by those that we feel can advise us on the advisability
8 or inadvisability of offering oil leases in the present market
9 condition. There are some who feel this is the time to do so
10 and some that this is not the time to do so.

11 I would like to hear advice on these matters and
12 any others. I would like to suggest to my fellow board mem-
13 bers, if it fits their convenience, that we take two days for
14 a hearing -- this will not be for taking formal action at
15 this time. The dates I would suggest are May 31 and June 1st
16 and I would like to so move that we hold public meetings for
17 this purpose in Los Angeles.

18 GOV. ANDERSON: I think we would like to hold these
19 hearings and we can hold them in Los Angeles. Do you think
20 it would take two days or can we take care of it in one day?

21 MR. HORTIG: Mr. Chairman, it is a happy situation
22 when the Commission considers the desirability of doing that
23 which the staff has on its agenda a recommendation to do, and
24 the general desirability of a public hearing has already been
25 considered by the staff. Under such a broad call, the factors
26 advocated for consideration by Mr. Ragland and all of the

1 elements suggested by Mr. Cranston would certainly be proper
 2 for consideration at that time. Therefore, we have only one
 3 problem, really, and that is the one of scheduling -- and may I
 4 suggest there is a small possibility, and we cannot evaluate
 5 this critically at this time, that some elements might be
 6 developed at the public hearing to be held in Santa Barbara
 7 County which may be a matter of consideration by the Commis-
 8 sion in connection with factors -- not whether to lease, but
 9 just as to what specific terms and conditions and requirements
 10 are to be included in a lease form which would be the subject
 11 of this two-day hearing.

12 Therefore, I am hesitant at the moment in being
 13 able to recommend as early a date as May 31st. It might be
 14 completely feasible

15 GOV. ANDERSON: It would seem to me to be better if
 16 you handled these two separately.

17 MR. HORTIG: Mr. Chairman, I did not mean to indi-
 18 cate that they should be held together, but rather that the
 19 Santa Barbara hearing could develop factors that the Commission
 20 should consider, and the industry should consider, on what
 21 lease terms should be established as being optimum under the
 22 particular circumstances; and if we don't know what the county
 23 is going to raise we can't discuss it at that time. In other
 24 words, at our two-day hearing on the best method of proceeding,
 25 if it doesn't include some of the factors that are included in
 26 the county hearing, we would have to hold a later hearing.

1 GOV. ANDERSON: Might that not be best, because
 2 we have been contacted about the advisability of these dif-
 3 ferent kinds of leases and I would like to hear the opponents
 4 and proponents of the various views in an atmosphere where we
 5 would be thinking solely of what would be the best type of
 6 lease, rather than getting into the special case in the
 7 Santa Barbara area. I would like to hear some of the matters
 8 in terms of market and so forth.

9 MR. CRANSTON: I agree with you. I think we should
 10 have a further hearing on the exact terms on which we would
 11 accept bids and, therefore, that would come after this hearing
 12 I have suggested for the end of May and after what transpires
 13 at Santa Barbara. We would have a further hearing and discuss
 14 what was offered to us at our hearings and at the Santa Barbara
 15 hearing and then take action.

16 And, in answer to your question about two days, I
 17 doubt whether two days would be enough for me.

18 MR. ZWEIBACK: These hearings were held back in
 19 1958. Am I correct in recalling that the Lands Commission
 20 did hire a consultant firm to render advice to it at that time?

21 MR. HORTIG: That is correct -- with respect to the
 22 over-all problem of approach to tidelands oil and gas leasing
 23 in view of the fact that what was being considered at the time
 24 were the first substantial series of leases proposed to be
 25 offered since the adoption of the Cunningham-Shell Tidelands
 26 Act, which to a major degree had changed the State oil and gas

1 leasing authority and, therefore, sweeping policy provisions
2 as well as sweeping leasing changes were indicated; and a
3 consultant was retained to advise the Commission with respect
4 to over-all policy bases which might be determined for the
5 future under the Cunningham-Shell Tidelands Act -- in which
6 there have been no actually drastic revisions since that time,
7 although, as Mr. Ragland has pointed out, the alternative bid
8 bases have been broadened by action of the Legislature. But,
9 again, the comparison of value and application of these
10 various bid bases was reviewed by the consulting board at the
11 time of their prior employment.

12 MR. ZWEIBACK: I make this point because in the
13 transcript it wasn't clear whether they included in their
14 formal written report recommendations re cash bonuses against
15 royalties; and I am just wondering whether the Commission
16 would want to consider the necessity of having a new consultant
17 firm.

18 MR. CARR: Mr. Chairman, I think we could answer that
19 question to ourselves after we have these hearings -- whether
20 we need any further consultants. I see the point, but I mean
21 that after we have the hearings we will better know whether
22 we need consultants or not, wouldn't we?

23 GOV. ANDERSON: Well, the motion -- this will not
24 constitute a regular meeting of the State Lands Commission --
25 this will be a hearing?

26 MR. HORTIG: That is correct.

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GOV. ANDERSON: There will not be any business conducted. It will be for our own discussion and learning the views of the people on the various types of leasing.

MR. HORTIG: In essence, a review of the oil and gas leasing policy of the Commission.

GOV. ANDERSON: Then you have heard the motion of Mr. Cranston

MR. CARR: Second.

GOV. ANDERSON: .. and second of Mr. Carr that we have a hearing on this subject on May the 31st and June the 1st in Los Angeles.

MR. CRANSTON: Commencing at 10:00 a. m. all right?

MR. HORTIG: Mr. Chairman, the staff would propose at this time, if there be no objection on the part of the Commission, that in connection with distribution of notices and invitations for all interested parties to participate in this now scheduled hearing that industry be invited to submit before the hearing date specific problems and solutions in writing, which will certainly speed up the hearing process -- rather than having our first exposure to the scope of interest to be covered arise the first day after the call of the hearing by the Chairman.

MR. CRANSTON: I suggest that be done, with the suggestion that there be full opportunity for oral discussion at the meeting.

GOV. ANDERSON: You have heard the motion. If there

1 is no objection, it is passed unanimously.

2 MR. HORTIG: May I ask -- there seems to be a
3 disparity of opinion here at the staff table. It is still
4 desirable that the authorization be given to proceed

5 GOV. ANDERSON: We haven't completed Item 8, so
6 that was the next item. Now, what is the

7 MR. CRANSTON: Action in accordance with what you've
8 suggested here -- what would be the relationship of such action
9 with relation to checkerboard leasing? Is there opportunity
10 here to do that if we wish to do so?

11 MR. HORTIG: The type of location, the scope of
12 leasing if any, is in complete discretion of the Commission.

13 GOV. ANDERSON: There is nothing that could be
14 affected by this by what might develop at the hearing?

15 MR. HORTIG: No sir.

16 GOV. ANDERSON: A motion to authorize the Executive
17 Officer to proceed with publication of these notices and so
18 on

19 MR. CRANSTON: I so move.

20 MR. CARR: Second.

21 GOV. ANDERSON: Seconded. No objection. Item 8
22 is passed unanimously.

23 Item Classification Number 9 -- authorization for
24 Executive Officer to offer for lease for extraction of sand at
25 minimum royalty of six cents per cubic yard, three areas of
26 tide and submerged lands in Monterey Bay, Monterey County.

1 The first is approximately seven acres pursuant to application
2 of Pacific Cement & Aggregates, Incorporated. Do you want to
3 comment, Mr. Hortig?

4 MR. HORTIG: With respect to all three items, Mr.
5 Chairman, we can report as to all in summary that as required
6 by the statute the Department of Natural Resources was asked
7 to review the applications. They have reported that an exami-
8 nation of the applications indicate no possible interference
9 with the recreational use of the lands littoral to the lands
10 involved, and the Attorney General has advised that the appli-
11 cations comply with applicable laws and rules and regulations
12 of the Commission.

13 GOV. ANDERSON: You have heard the explanation for
14 Items (a), (b), and (c). (b) was approximately eight acres
15 pursuant to application of Granite Construction Company and
16 (c) was one acre, more or less, pursuant to application of
17 Seaside Sand & Gravel Company. What is your pleasure?

18 MR. CARR: I'd like to ask a question or two about
19 this. Where does this sand come from -- from the shore line,
20 uplands, or under water?

21 MR. HORTIG: It comes from seaward of the high water
22 marks in each instance under the State leases, Mr. Carr, and
23 therefore at times the area from which sand is removed is under
24 water. Actually, the removal operations are conducted at low
25 water stages, at which time the sand is exposed. It is
26 replenished in general by littoral drift along the coast and

1 there are limitations in the lease that if there should be
 2 activity detrimental to the adjoining lands operations can be
 3 adjusted to preclude any further detrimental effects; and in
 4 each instance the applicant or the potential bidder for these
 5 leases is either the holder in fee or by other leases of the
 6 adjoining uplands, so that there is no public access to these
 7 water areas.

8 GOV. ANDERSON: What is your pleasure?

9 MR. CARR: Have there been any objections voiced
 10 to these?

11 MR. HORTIG: No sir, no objections voiced; and, as I
 12 say, with no objection by the Department of Natural Resources.

13 MR. CARR: So move.

14 MR. CRANSTON: Second.

15 GOV. ANDERSON: It has been moved and seconded the
 16 items be approved, carried unanimously.

17 Item Classification 10 is authorization for cancella-
 18 tion of eight leases in Fish Canyon and making application to
 19 the Board of Control for discharge of accountability for
 20 rental, etcetera. Mr. Hortig?

21 MR. HORTIG: The item is almost totally self-
 22 explanatory, Mr. Chairman. These were recreational lease sites
 23 which have become inoperable because of serious floods in the
 24 area. The lessees have chosen not to pay additional billings.
 25 These are reflected as accounts receivable on the books of
 26 the Commission. It is recommended that the Executive Officer

1 be authorized to cancel the leases and that we request the
2 Controller for discharge of the accountability.

3 GOV. ANDERSON: Your pleasure?

4 MR. CRANSTON: So move.

5 MR. CARR: Second.

6 GOV. ANDERSON: Moved and seconded, carried unani-
7 mously -- authorization granted.

8 Item 11 -- approval of maps. First one is survey
9 of the ordinary high water mark of Tolay Creek, Sonoma County;
10 item (b) is grant to the City of Mill Valley, Chapter 496
11 Statutes of 1959, westerly end of Richardson Bay in Marin
12 County; (c) is survey of the mean high tide line along the
13 banks of the Napa River in the vicinity of Vallejo, Napa and
14 Solano Counties dated May 1955.

15 Mr. Hortig, do you wish to explain these?

16 MR. HORTIG: Yes. Item (b) -- survey of grant to
17 the City of Mill Valley -- was required by statute to be
18 surveyed by the Lands Commission and survey of that area,
19 of the land granted by the Legislature to Mill Valley, has
20 been completed at the cost of the City of Mill Valley.

21 Item (a), survey along the banks of Tolay Creek, and
22 Item (c), along the Napa River, are maps which are a portion
23 of the program of the State Lands Division to survey areas
24 where there are encroachments or where there are applications
25 for lease of the lands; and the first recordation of State
26 title is when these maps are recorded in the county where they

1 are located.

2 GOV. ANDERSON: Any questions?

3 MR. CRANSTON: So move.

4 MR. CARR: Second.

5 GOV. ANDERSON: Moved and seconded -- no objection,
6 carried unanimously.

7 Item Classification 12 -- authorization for Executive
8 Officer to execute proposed stipulations in quiet title
9 actions. First one is (a) Schultz, etcetera, vs. State of
10 California; and (b) is Crocker Land Company vs. State of
11 California. Mr. Hortig?

12 MR. HORTIG: Both items refer to the same general
13 problem, in that there was legislative authorization to the
14 State Lands Commission to convey certain tide and submerged
15 lands either by exchange or outright sale to the persons owning
16 the surrounding lands at the time the sale or exchange was to
17 be completed. In each instance, the purchasers from the State
18 have found it necessary, in order to get title insurance, to
19 proceed with a quiet title action in the court in the county
20 in which the lands are located. In each instance, finally to
21 complete the quiet title actions there are certain stipulations
22 which must be made by the State of California with respect to
23 the stipulation for judgment, and the office of the Attorney
24 General has approved the form of stipulation for judgment in
25 each instance; and, therefore, the plaintiffs have asked that
26 the Commission indicate its approval of the stipulation for

1 judgment and it is so recommended.

2 MR. CRANSTON: So move.

3 GOV. ANDERSON: Questions? It has been moved....

4 MR. CARR: Second.

5 GOV. ANDERSON: ... seconded that the authorization
6 be approved. No objection, it is carried unanimously.

7 Item Classification 13 is confirmation of transactions
8 consummated by the Executive Officer pursuant to authority
9 confirmed by the Commission at the meeting October 5, 1959.
10 Mr. Hortig?

11 MR. HORTIG: The items appearing on pages - - the
12 tabulation of items appearing on pages 61 and 62, as the Com-
13 mission will see, are in general of the nature of issuance of
14 permits to other governmental agencies for limited usages and
15 assignments of existing leases and entering into service
16 agreements for amounts not exceeding the amount which the
17 Executive Officer is authorized to handle.

18 GOV. ANDERSON: Any question?

19 MR. CRANSTON: Move approval.

20 GOV. ANDERSON: Second, Mr. Carr?

21 MR. CARR: Yes.

22 GOV. ANDERSON: Seconded. If there is no objection,
23 carried unanimously.

24 Item Classification 14 is authorization to the
25 Executive Officer to execute contract with Remington Rand for
26 research and systems services for index of lands in the State

1 of California under jurisdiction of the United States, at a
2 cost not to exceed \$27,000. Mr. Hortig?

3 MR. HORTIG: Mr. Chairman, in the legislative
4 program to achieve a centralized index of all State land
5 ownership and jurisdiction, the Legislature required several
6 years ago that the Lands Commission establish an index of
7 those lands over which the Federal Government had acquired
8 varying degrees of jurisdiction throughout California. It
9 was not until the last regular session of the Legislature
10 which adopted the -- or approved the current operating budget
11 of the Lands Commission that the Legislature augmented that
12 budget by \$27,000, with a specific directive that the studies
13 be undertaken as to how to implement the establishment of this
14 index, which is now required by law.

15 Bids on service contracts to make this study and
16 make recommendations for establishment of an appropriate index
17 system were invited from Arthur D. Little, Inc., Research
18 Associates, and Remington Rand. It appears from a review of
19 the bids received that an effective program, the most effective
20 program, can be achieved for the amount of money available by
21 awarding a service contract pursuant to the bid of Remington
22 Rand and it is recommended that the Executive Officer be
23 authorized to execute such a contract -- which will then give
24 the Lands Commission the basis for making firm budget recom-
25 mendations to the Legislature in the future as to what is
26 required to establish an effective index for those lands under

1 the jurisdiction of the United States within the State of
2 California.

3 GOV. ANDERSON: What does that contract call for --
4 how much?

5 MR. HORTIG: Not to exceed \$27,000.

6 GOV. ANDERSON: I mean -- is that the figure they
7 bid? There were two bids, I understand.

8 MR. HORTIG: That is correct, sir, and the diffi-
9 culty, of course, is that not knowing the exact and complete
10 nature of the problem it has to be a research in the first
11 instance as to what the problem is -- so that the bids are
12 actually on the basis of the type of personnel that are to
13 be employed, the skill to be employed, and the manner of
14 directing it. As to competency, of course both firms appear
15 to be well qualified and Remington Rand has previously set up
16 land index systems for the State Lands Division under contract.

17 GOV. ANDERSON: Did they arrive at the \$27,000
18 figure because the Legislature appropriated this?

19 MR. HORTIG: No sir, they did not bid that; but we
20 have had \$27,000 appropriated for the study and our staff
21 recommendation is to employ Remington Rand at the rates out-
22 lined and shown on page 63 to furnish as much service on this
23 basis as they can, to a point where they do not exceed total
24 costs beyond the amount that the Legislature budgeted to us
25 for this study.

26 GOV. ANDERSON: So this choice of Remington Rand

1 over this company was not on the basis of price, but on the
2 basis that you thought it was the better of the two companies?

3 MR. HORTIG: In terms of having had previous experi-
4 ence with other index systems in our office and, therefore,
5 being familiar with where the corollary data might be, whereas
6 the other firm would have to be indoctrinated as to where
7 specific records of State lands are concerned.

8 MR. CARR: Mr. Chairman, in addition to the interest
9 of the State Lands Commission, it is the observation and ex-
10 perience of the Department of Finance that we need cross
11 communication between the Lands Division, Lands Commission,
12 and other agencies in the State Government such as Beaches
13 and Parks, Corrections, school authorities, State colleges --
14 because we have both the problem of selling, liquidating and
15 getting back on to the tax rolls land we now own, and we also
16 have the problem of seeking locations for other State agencies
17 for land; and we had hoped in the Finance Department that we
18 could get such a tabulation and get it done in such a way so
19 that when a demand for a given piece of property with certain
20 characteristics comes in we could go to this system and pull
21 it out without spending eight or ten weeks looking for it.

22 Also, I think that in the discussions previously
23 that we have had, we also agreed that if we took a more active,
24 aggressive attitude toward selling those lands which the State
25 now owns or would acquire, that we could probably get more
26 money for them; and it seems to me this is a very worthwhile

1 project and certainly we are going to go through with it, but
 2 I'd like to be sure that whatever system we use is compatible
 3 with this whole program -- in other words, it's going to be
 4 as easy to find out where this land is for a specific purpose
 5 as it is for the purpose of indexing it for sale.

6 MR. HORTIG: Mr. Carr, as you are aware from our
 7 previous discussions -- and this is with my other hat on, as
 8 Executive Officer of the State Lands Division -- we are acutely
 9 aware of not only the desirability but the absolute necessity
 10 for such integration -- an integrated, efficient system; and,
 11 as a matter of fact, this next week we will have full time
 12 conferences with representatives from your organization and
 13 cost control section looking toward the day, we hope, when
 14 all of this would have been injected into an electronic data
 15 processing system -- where, when the millenium arrives, you
 16 can push a button and get the answer you need.

17 MR. CARR: I won't be here when the millenium arrives,
 18 but I am sure those that will be will thank you for your fore-
 19 sight.

20 MR. CRANSTON: I move approval of this item.

21 GOV. ANDERSON: Mr. Carr, do you second it?

22 MR. CARR: Second it.

23 GOV. ANDERSON: Moved and seconded -- if there is
 24 no objection, passed unanimously.

25 Item 15 -- report on exercise of option by Standard
 26 Oil Company of California to continue the term of agreement

1 for Easement 415.1 covering approximately 2,827 acres of
 2 sovereign lands of the State in the Rio Vista Field in Contra
 3 Costa, Sacramento, San Joaquin and Solano Counties. Mr. Hortig?

4 MR. HORTIG: This item was reported for information
 5 of the Commission, also to give me an opportunity to present
 6 a little history on what has been a unique operation, in that
 7 , despite the long-titled agreement for easement, this essen-
 8 tially is in all normal circumstances a gas lease -- which
 9 has been held and was awarded to Standard Oil Company of
 10 California approximately 19- - that would be 1940, for the
 11 development of the State portion of gas in Rio Vista Field,
 12 which turned out to be the largest gas field in Northern Cali-
 13 fornia, and as a result of a high bid in simple terms of 52% --
 14 profit the State receives from this lease has been a tremendous
 15 contribution to the State for years.

16 This was one of two leases issued by the first
 17 State Lands Commission, immediately after the adoption of the
 18 State Lands Act in 1938, and is one of the two that carried
 19 the unique condition that on those wells producing after the
 20 first expiration date of its twenty-year term, continuation
 21 of that lease could be elected unilaterally by the lessee.

22 The prior lease was a large oil and gas lease in
 23 Montington Beach, now held by Signal Oil and Gas Company,
 24 which has been extended under these identical terms but under
 25 which the operator was desirous of conducting additional devel-
 26 opment and therefore exchanged the lease for a new form of

1 lease.

2 In this case, the grantee has exercised the
3 option to continue the term as to all wells drilling or
4 producing on June 2, 1960 and, therefore, the election to
5 simply extend the existing contract appears to have been most
6 satisfactory both to the lessee who made this election and
7 to the State.

8 GOV. ANDERSON: How long can they make this for?

9 MR. HORTIG: It is for as long as gas is produced.

10 GOV. ANDERSON: We have no control over this in
11 the conditions, as long as there isn't a change in the
12 present lease?

13 MR. HORTIG: Well, we do under the provisions of
14 the lease because there are operating requirements, performance
15 requirements, and requirements for payment of royalty -- all
16 of which are controlled by the State.

17 GOV. ANDERSON: But the amount of royalty is con-
18 trolled in the original lease?

19 MR. HORTIG: That's right.

20 MR. CARR: Mr. Chairman, I would like to inquire if
21 there is any noticeable or measurable subsidence in this area
22 from extraction of the gas or any other purpose?

23 MR. HORTIG: The Delta area has had a habit of
24 subsiding for a hundred years -- or whenever it started to
25 be reclaimed, there being extensive peat beds and probably the
26 largest peat deposits in California, which shrink when they

1 are dry. If there has been any subsidence due to gas extrac-
2 tion, it is so small to have been swallowed up completely by
3 the larger subsidence due to other geological and land
4 reclamation factors other than withdrawal of gas within the
5 consolidated area, if I may apply the term, of the Rio Vista
6 Gas Field -- notably under the Montezuma Hills area, for
7 example, on the north and west side of the river. In the
8 townsite of Rio Vista, there has been no evidence of subsidence

9 MR. CARR: There has been no subsidence of any
10 improved land around there?

11 MR. HORTIG: In terms of subsidence on improved
12 farm land, yes; but this is in all cases behind levees, where
13 in some instances the land surface to which the area was re-
14 claimed by the levee is actually still today below sea level
15 and, therefore, it is rather floating than land, and also, as
16 I say, in many instances composed primarily of peat -- which
17 when the water is pumped out shrinks and dries when the sun
18 hits it; and how much is level subsidence, how much is peat
19 drying out, how much is water pumped out to reclaim the land
20 these I don't think have ever been determined precisely.

21 MR. CARR: Have you any records in your department
22 showing what the salt water encroachment might be into this
23 area?

24 MR. HORTIG: We are aware, of course, of the salt
25 water studies of the Department of Water Resources, which we
26 have followed.

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MR. CARR: Have there been any attempts to connect salt water encroachment with gas production?

MR. HORTIG: No sir.

GOV. ANDERSON: That item was for information of the Commission only. There is no action required.

MR. CARR: Mr. Chairman, I would like to take action and thank Mr. Hortig for the information.

MR. CRANSTON: I second the "thank you."

GOV. ANDERSON: Carried unanimously.

Item 16 is report on the status of major litigation -- informative only. Mr. Hortig.

MR. HORTIG: As the Commission can see from pages 66 and 67, essentially the status of major litigation of interest to the Commission is almost quo again from the last meeting. In connection with the Alamitos Bay quitclaim litigation, closing briefs have been filed and we are still awaiting anxiously an expression from the - - or interestedly, rather than anxiously, excuse me - - an expression from Orange County as to disposition which that county may make of its pending litigation contesting the State's title to tide and submerged lands.

GOV. ANDERSON: Anything further?

MR. HORTIG: Not on litigation, sir. If the Chairman please, this might be an appropriate point to inject this item: I have here copies of information for the Commission - - a resume of legislation adopted at the special session of the

1 Legislature which has gone to the Governor for consideration
2 for signature -- these being the only bills which it is felt
3 might affect the administrative cognizance of the Commission.

4 All three relate to tideland grants: A new grant
5 to the Moss Landing Harbor District of a portion of the tide-
6 lands in San Mateo County, which will be surveyed for the
7 harbor district at the cost of the harbor district by the
8 State Lands Division; the second bill amends the purposes for
9 use of lands by San Luis Obispo County on lands previously
10 granted to them; and the last expands the authorized use to
11 include recreational use on lands granted to the City of
12 Oakland.

13 MR. CARR: Mr. Hortig, did you say Moss Landing?

14 MR. HORTIG: San Mateo.

15 MR. CARR: Moss Landing is down in Monterey County.

16 MR. HORTIG: I am sorry.

17 GOV. ANDERSON: Any questions or comment? (No
18 response) Anything further before we proceed to set the date
19 of the next meeting? (No response) If not, then, the last
20 item is the confirmation of the date of the next Commission
21 meeting, which would normally be Thursday, May the 26th, and
22 normally would go to the north. Is that agreeable to everyone?

23 MR. CRANSTON: What time is that -- nine o'clock?

24 GOV. ANDERSON: Nine o'clock, and just before we
25 adjourn

26 MR. CARR: That really messes me up, Mr. Chairman.

1 GOV. ANDERSON: How about the day before?

2 MR. CARR: That's fine.

3 MR. CRANSTON: What is that?

4 GOV. ANDERSON: For the meeting, instead of May
5 26th -- May 25th.

6 MR. CRANSTON: I can't.

7 (Some off-the-record discussion)

8 GOV. ANDERSON: Tuesday, the 24th.

9 MR. CRANSTON: I move that we meet on Tuesday, May
10 24th, in Sacramento at nine o'clock.

11 MR. CARR: Second.

12 GOV. ANDERSON: You have heard the motion. If there
13 is no objection our next meeting of the State Lands Commission
14 will be Tuesday, May the 24th, at nine o'clock in Sacramento;
15 and before we adjourn, how is the fourth Thursday of the next
16 month in Los Angeles? That would be the normal time and I
17 would like to know.

18 MR. CRANSTON: That is Thursday, June the 23rd. Yes,
19 I already have that on my calendar.

20 GOV. ANDERSON: Is that all right with you?

21 MR. CARR: Yes, what time?

22 GOV. ANDERSON: I assume nine o'clock. Then we will
23 plan tentatively the meeting in June will be in Los Angeles
24 at nine o'clock on the fourth Thursday, which is the 23rd of
25 June. Motion to adjourn is in order.

26 (Moved by Mr. Cranston, second by Mr. Carr)

ADJOURNED 10:30 A.M.

CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Division of Administrative Procedure, hereby certify that the foregoing forty-three pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION of the STATE OF CALIFORNIA held in Los Angeles, California on April 28, 1960.

Dated: Sacramento, California, May 4, 1960.

Louise H. Lillico