

A meeting of the State Lands Commission was held in Room 302 State Building, Los Angeles, November 17, 1942, at 2 o'clock P. M.

Present were

George Killion, Chairman  
Ellis E. Patterson, Member

Absent was

Harry B. Riley, Member

Minutes of the meetings of the Commission held in Los Angeles on September 24, 1942, and October 23, 1942, were, upon motion of Mr. Patterson, seconded by Mr. Killion, unanimously approved and confirmed as submitted.

Owing to the fact that Mr. J. M. Clifford, Executive Officer, was on vacation, it was necessary to designate someone to act in his absence. Upon motion duly made and carried, Mr. J. Stuart Watson was appointed as Acting Executive Officer.

Consideration was given to the analysis of the bid of the Atlantic Oil Company for an oil and gas lease at Huntington Beach which was prepared in accordance with the instructions of the Commission at its last meeting. The evidence submitted of the present ability of the bidder to furnish necessary drill sites and rights-of-way for the operations contemplated, including the endorsement of the lease form by the owner of the upland drill site, did not meet the requirements of the notice. Therefore, upon motion of Mr. Killion, seconded by Mr. Patterson, and unanimously carried, it was decided to reject the bid inasmuch as it was not a legal bid. Instructions were issued to re-advertise this same property for lease and to notify the Atlantic Oil Company of such advertisement.

Upon motion of Mr. Patterson, seconded by Mr. Killion and unanimously carried, a resolution was adopted authorizing the execution of a lease with the Bank of America N. T. & S. A. covering the so-called "Granger's Warehouse" on tideland in Carquinez Straits near Port Costa, Contra Costa County, for a term of five years commencing November 1, 1941, at an annual rental of \$400.00, and further authorizing the prior tenancy of the property from November 1, 1940, to November 1, 1941, at a rental of \$400.00.

Upon motion duly made and carried, it was decided to grant the request of Mr. Charles McWaters that certain tide and submerged land adjoining the San Simeon Ranch in San Luis Obispo County be advertised for mineral lease, provided Mr. McWaters advance the sum of \$500.00 to cover the cost of a survey and it is thereby determined that such proposed lease would be in the public interest.

The Commission was informed that Ed. D. Hodges and A. R. Contreras, who earlier filed application for a mineral permit to allow them to prospect for manganese and ferro manganese on 40 acres in Section 16, T. 11 S., R. 21 E., S. B. B. & M., and received a permit, had discovered the description of the land applied for was not the land desired. Upon motion duly made and carried, it was decided to approve a permit for the land desired upon the filing of a surety bond and payment of the fee of \$1.00 per acre for two years.

The Commission was informed that parcels 12 and 12A in the action U. S. vs. 19,298.25 acres of land (S. D. Civil 105) were sold by the State subsequent to 1921 with a reservation of one-sixteenth of the minerals therein to the State. The owner of these parcels has now entered into an agreement with the Federal Government to receive \$600.00 for the land and has suggested to the Attorney General that the State should release its interest for \$1.00.

The areas in question have been checked by the District Mining Engineer of the Division of Mines and he has found no minerals of commercial importance thereon.

Upon motion duly made and carried, it was decided to release the State's interest for one-sixteenth of the amount to be received by the present owner of the land, or \$37.50.

Upon motion made by Mr. Patterson, seconded by Mr. Killion, and unanimously carried, authorization was issued for the execution of an Easement and Right-of-Way Permit to the War Department covering the NW $\frac{1}{4}$  of Section 16, T. 1 S., R. 22 E., S. B. B. & M., for the purpose of constructing and maintaining a housing project in connection with the Gremmet Desert Training Area project.

On account of increased production at Huntington Beach and resultant increased oil gauging duties, it was decided to employ an additional full time Oil Gauger in lieu of the part time man who recently resigned.

Upon motion duly made and carried, a resolution was adopted authorizing the allowance of dehydration costs in the sum of \$4.67 to W. K. Company for the month of February 1942 in connection with Easement No. 336, Huntington Beach, since an affidavit was submitted stating that the report had been placed in the mails within the ten day period allowed by the rules and regulations.

Upon motion duly made and carried, a resolution was adopted approving a third party arrangement entered into by the Honolulu Oil Corporation in connection with Lease No. 56 whereby liquefied petroleum gas extracted from gas from State lands is to be exchanged with the Associated Oil Company and the iso-butane content of such liquid gas removed. A bonus of \$.01 per gallon is to be paid for the quantity removed on the exchange. The approval is given subject to price adjustment should it be determined that the value of the product or products extracted from State gas have a premium value in excess of one cent (\$.01) per gallon over the value of the liquefied petroleum gas from which it is extracted.

Upon motion duly made and carried, a resolution was adopted authorizing the substitution of Milton Silverstone in lieu of Petroleum Investment Company as operator of Agreement for Easement No. 330, subject to the assumption of the usual responsibilities and the submission of a surety bond.

Upon motion duly made and carried, a resolution was adopted approving allotments of the State's lands under Exhibit "A" of Easement No. 415, Rio Vista, as follows:

| Revision Number | Percentage of State Lands | Effective date of Revision |
|-----------------|---------------------------|----------------------------|
| 21              | 10.874%                   | 6/23/42                    |
| 22              | 10.054%                   | 7/20/42                    |
| 23              | 9.795%                    | 7/25/42                    |
| 24              | 10.070%                   | 8/1/42                     |
| 25              | 10.011                    | 8/13/42                    |
| 26              | 10.010                    | 9/18/42                    |

subject to the changes which will result from the adjustment of the basic acreage figures to be agreed upon with respect to the 11th and 12th revisions and further subject to the extension to December 4, 1942, of the time within which formal objection may be made by the Commission to the 11th to 26th revisions, inclusive, of the State's percentage allotment under Easement No. 415.

Upon motion duly made and carried, approval was given to the payment of a bill for services of Dunn and Bradstreet, Inc., even though services contracted to be given at a certain date were not completed within the time specified.

Instructions were issued to return to John W. Hamilton the sum of \$50.00 which he had deposited in connection with the advertising of certain tide and submerged lands in Del Norte County inasmuch as such advertising was never ordered because the applicant did not comply with other requirements and requested the withdrawal of his application.

Upon motion duly made and carried, a resolution approving the modification of Section 9 of Corte Madera Lease Nos. 27 of Fred E. Moore and 44 of Mrs. M. Warner to provide for the preferential right of the lessees to enter into new leases prior to the expiration of the term of the present leases. Approval was also given to the incorporation of this provision in any lease issued for Corte Madera property in the future.

The attention of the Commission was called to a seawall constructed by the Southern Pacific Company near the village of Summerland in Santa Barbara County which appears to encroach upon State tideland. Inasmuch as only a survey will reveal the degree of encroachment, if any, approval was given to the execution of a service contract with the Division of Highways in a sum not to exceed \$110.00 to cover the expense of such a survey.

The Commission was informed that officers of Sonoma County have asked that the 18 acres of tideland to be filled at Bodega Bay during current dredging operations be leased to the County "for the benefit of the public". The value of the lands when filled is estimated at \$50.00 per acre but the County's offer did not suggest a rental. While the Commission in the past has given easements to governmental subdivisions for the erection of specific structures, this is the first time a request has been heard for acreage.

Upon motion of Mr. Patterson, seconded by Mr. Killion and unanimously carried, it was decided to suggest to the County that it refer the matter to the next Legislature and obtain the property under a legislative grant.

The Commission was informed that several questions had arisen relative to the title to the abandoned channel of the American and Petaluma Rivers which may involve some trespass. Inasmuch as this condition presents some fundamental legal problems, it was decided to refer the whole problem to the Attorney General for determination, if it is deemed expedient, of the best case of trespass for adjudication.

Upon motion of Mr. Patterson, seconded by Mr. Killion and unanimously carried, approval was given to the issuance of an easement to the Standard Oil Company for the construction of a gas main crossing of Suisun and Mallard Slough, subject to the receipt of necessary plans and survey data in compliance with appropriate rules and regulations of the Commission.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, approval was given to the issuance of an easement to the Pacific Gas and Electric Company for a river crossing of the San Joaquin River at a point approximately 5½ miles upstream from the Antioch Bridge, subject to compliance with appropriate rules and regulations of the Commission.

The Commission was informed that an inspection of the area covered by Prospecting Permit No. 414 has shown that no operations are being conducted by the permittee and that an unauthorized assignment of the permit has been made. In view of these circumstances, upon motion duly made and carried, a resolution was adopted authorizing actions relative thereto as follows:

1. Cancellation of Prospecting Permit 414 because of the failure on the part of the permittee to
  - (a) comply with Sections 1, 2, 3, 4 and 12 of the permit;
  - (b) maintain an adequate and satisfactory surety bond;
2. Issuance of a notice to the F. and M. Chrome Company and the Cuban American Holdings, Ltd., that any authority they purport to hold for operations on State land by virtue of an assignment from E. D. Brown is void.

3. Withdrawal of the portion of Section 16, T. 6 S., R. 5 E., M.D.B. & M., in which title is vested in the State from the list of lands available for prospecting permit pending classification of the land by detailed field inspection.
4. Instruction to the mining engineer to inspect in detail and classify said Section 16 as part of his field work in Stanislaus County.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving actions relative to Fish Canyon and grazing leases as follows:

| <u>No.</u> | <u>Applicant</u> | <u>Location</u> | <u>Rental</u> | <u>Term Years</u> |
|------------|------------------|-----------------|---------------|-------------------|
|------------|------------------|-----------------|---------------|-------------------|

Approval of:

|      |   |   |            |    |
|------|---|---|------------|----|
| 1051 | James C. Fuquay<br>Pine Valley, Calif.            | W $\frac{1}{2}$ of NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of NW $\frac{1}{4}$ , Section 16, T. 17 S., R. 7 E., S.B.B. & M., NW $\frac{1}{4}$ of NE $\frac{1}{4}$ , Section 16, T. 18 S., R. 7 E., S. B. B. & M., 160 acres | 5¢/A/yr    | 5  |
| 1052 | A. A. Presnall<br>134 N. Ardmore<br>Los Angeles   | Lot 61 Fish Canyon  | \$30.00/yr | 10 |
| 1053 | Frank E. Smouse<br>7301 So. Hoover<br>Los Angeles | Lot 40 Fish Canyon  | \$30.00/yr | 10 |
| 1041 | Long Valley<br>Cattle Association                 | (deletion of the N $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 14, T. 26 N., R. 16 E., M. D. M., from the lease heretofore approved)   | 5¢/A/yr    |    |

Cancellation of:

|      |                              |                    |  |  |
|------|------------------------------|--------------------|--|--|
| 1049 | Frank E. Smouse              | Lot 40 Fish Canyon | (he failed to pay the first year's rent within statutory 15 days, being out of town, reapplied under 1053) |  |
| 1025 | Pasadena Presbyterian Church | Lot 27 Fish Canyon | (failed to pay first annual rental within statutory 15 days)   |  |

Upon motion duly made and carried, a resolution was adopted approving the payment on a month to month basis for a period of 5 months, of 640 acres leased under expired Lease 726, issued to Bert Ithurnburn, at a pro rated rental of \$13.35 for the whole period.

After a discussion relative to report of inspection of La Tour State Forest, it was decided to approve the forest improvement program proposed by the Division of Forestry.

The Commission was informed that certain lands, as listed in the following tabulation, have been withdrawn from exchange application 034260 at the request of Mr. J. H. Favorite, Regional Field Examiner of the General Land Office for the reason that the lands are mineral in character and other lands have been substituted in lieu thereof.

Lands withdrawn from exchange application 034260:

|   |                             |                   |
|---|-----------------------------|-------------------|
| All Section 2   | T. 33 N., R. 8 W., M. D. M. | 638.78 acres      |
| Lot 1   |                             | 280.36 "          |
| S $\frac{1}{2}$ of NE $\frac{1}{4}$                                   | "                           | "                 |
| SE $\frac{1}{4}$  | "                           | "                 |
| E $\frac{1}{2}$   |                             | 320 "             |
| E $\frac{1}{2}$   | 33 N., R. 9 W., M. D. M.    | 560 "             |
| SW $\frac{1}{4}$  | "                           | "                 |
| E $\frac{1}{2}$ of NW $\frac{1}{4}$                                   | "                           | "                 |
| All   |                             | 640 "             |
| N $\frac{1}{2}$ of NW $\frac{1}{4}$                                   |                             | 360 "             |
| N $\frac{1}{2}$ of NE $\frac{1}{4}$                                   | "                           | "                 |
| SE $\frac{1}{4}$ of NE $\frac{1}{4}$                                  | "                           | "                 |
| SW $\frac{1}{4}$  | "                           | "                 |
| NW $\frac{1}{4}$ of NW $\frac{1}{4}$                                  | 33 N., R. 7 W., M. D. M.    | 160 "             |
| N $\frac{1}{2}$ of SE $\frac{1}{4}$                                   | "                           | "                 |
| Lot 2   |                             | "                 |
| E $\frac{1}{2}$ of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 28 |                             | 200 "             |
| W $\frac{1}{2}$ of SE $\frac{1}{4}$ of NW $\frac{1}{4}$               | "                           | "                 |
| E $\frac{1}{2}$ of SW $\frac{1}{4}$                                   | "                           | "                 |
| W $\frac{1}{2}$ of SE $\frac{1}{4}$                                   | "                           | "                 |
|   |                             | <u>3,159.14</u> " |

Amended selection:

|                                      |                              |              |
|--------------------------------------|------------------------------|--------------|
| All Section 4                        | T. 33 N., R. 10 W., M. D. M. | 641.27 acres |
| Lots 1, 2, 3, 4, -5                  |                              | 481.12 "     |
| S $\frac{1}{2}$ of N $\frac{1}{2}$   | "                            | "            |
| N $\frac{1}{2}$ of SW $\frac{1}{4}$  | "                            | "            |
| W $\frac{1}{2}$ of SE $\frac{1}{4}$  | "                            | "            |
| All fr.                              |                              | 6            |
| N $\frac{1}{2}$ of NW $\frac{1}{4}$  |                              | 14           |
| S $\frac{1}{2}$ of SW $\frac{1}{4}$  | "                            | "            |
| SW $\frac{1}{4}$ of SE $\frac{1}{4}$ | "                            | "            |

|   |                              |           |
|---|------------------------------|-----------|
| S $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 20 | T. 33 N., R. 10 W., M. D. M. | 480 acres |
| N $\frac{1}{2}$ of SW $\frac{1}{4}$               | "                            |           |
| E $\frac{1}{2}$                                   | "                            |           |
| S $\frac{1}{2}$ of NW $\frac{1}{4}$               | 22                           | 320 "     |
| SW $\frac{1}{4}$                                  | "                            |           |
| W $\frac{1}{2}$ of SE $\frac{1}{4}$               | "                            |           |
| SW $\frac{1}{4}$                                  | 24                           | 360 "     |
| SW $\frac{1}{4}$ of NW $\frac{1}{4}$              | "                            |           |
| E $\frac{1}{2}$ of NE $\frac{1}{4}$               | "                            |           |
| E $\frac{1}{2}$ of SE $\frac{1}{4}$               | "                            |           |
| E $\frac{1}{2}$ of E $\frac{1}{2}$                | 26                           | 160 "     |

3,159.04 "

Upon motion duly made and carried, a resolution was adopted approving the amended selections as substituted in exchange application 034260.

A letter was read from the State Controller in which he stated that the sum of \$240,000.00 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.

Upon motion of Mr. Patterson, seconded by Mr. Killion, a resolution was adopted confirming the transfer of Ralph Temperly, Intermediate Account Clerk, from the office of the Income Tax to that of the State Lands Commission in Los Angeles, effective September 24, 1942.

Upon motion of Mr. Patterson, seconded by Mr. Killion, and unanimously carried, a resolution was adopted approving issuance of a five year easement to the City of Alturas under the provisions of Section 675 of the Political Code for the construction and maintenance of an airport on the W $\frac{1}{2}$  of Section 36, T. 43 N., R. 11 E., M. D. M., pending exchange of the land with the Federal Government.

Approval was given to the purchase of U. S. Geological Survey maps at a cost of \$29.63 in order to complete the file of these maps in the Los Angeles office.

Approval was given to the expenditure of a sum not to exceed \$135.00 to cover the construction of cabinets in the State Building for the storage of Huntington Beach Field operation records.

Upon motion duly made and carried, approval was given to the selection by the U. S. Forest Service of Section 32, T. 46 N., R. 5 E., M. D. B. & M., in lieu of Section 36, T. 43 N., R. 11 E., M. D. B. & M.

The attention of the Commission was directed to the sale heretofore approved of 4.70 acres in the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 26, T. 29 N., R. 3 E., M. D. M., to the Division of Highways, for the sum of \$260.00, if and when said property is acquired from the Federal Government. The Division of Highways has now requested that the description of the area be revised to correspond with a 5.47 acre tract as shown on National Park Service map NP-LV #5385. In view of the fact that the \$260.00 originally offered by the Division of Highways was arbitrarily adopted as a price for the area to be conveyed, it was decided to approve the conveyance of the revised area for the same consideration.

Upon motion made and carried, a resolution was adopted authorizing the sale for the sum of \$775.00 of all appliances, equipment, machinery and steel of the State (exclusive of oil well casing and pier structural members) in place on the tideland pier of the State on the area formerly leased under Oil and Gas Lease No. 16, Summerland.

Consideration was given to the bid of T. E. Warner for a mineral lease covering the extraction of gold from State lands in the abandoned channel of Tuolumne River, which bid was opened at the last meeting of the Commission. The Commission was informed that the bid was not in conformance with the published notice in that the bid form had been altered.

Upon motion duly made and carried, the Commission issued instructions that Mr. Warner be given fifteen days within which to comply with the requirements of the notice.

Upon motion duly made and carried, it was decided not to hold a meeting on the next regular meeting date inasmuch as it would fall on Thanksgiving. The Acting Executive Officer was instructed to attempt to arrange a meeting date satisfactory to all members during the first part of December, preferably December 1.

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