TRANSCRIPT OF MEETING
STATE LANDS COMMISSION
NOVEMBER 12, 1957 - 10:00 A.M.

PARTICIPANTS:

THE COMMISSION:

Mr. John M. Peirce, Chairman
Mr. Robert C. Kirkwood

STATE LANDS DIVISION

Mr. F. J. Hortig, Executive Officer
Mr. Kenneth C. Smith, Supervising Land Title Examiner
Mrs. Julia T. Stahl, Secretary

ATTORNEY GENERAL'S OFFICE

Mr. Howard Golden, Deputy Attorney General

and

in the order of their appearance:

Mr. Paul Ottoson
Signal Oil and Gas Company

Mr. K. M. Cook
Richfield Oil Company

Mr. George H. Ketchum
General Petroleum Company

Mr. R. R. Templeton
Reserve Oil and Gas Company

Mr. J. Barton Hutchins
Edward Pauley & Associates

Mr. Philip J. Brady
Deputy Attorney of City of Long Beach

Mrs. Ruth E. Thurber

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Reporter:
Louise H. Lillico
Division of Administrative Procedure

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MR. PEIRCE: The meeting will come to order. The Lieutenant Governor has been unexpectedly called from the city and will not be present this morning, so Mr. Kirkwood and I will constitute the necessary quorum to conduct business of the State Lands Commission.

The first order of business is the approval of the minutes of the meeting which took place in Los Angeles on October 8, 1957. Copies have been sent to members of the Commission. Do they meet with your approval, Mr. Kirkwood?

MR. KIRKWOOD: Yes. There are no corrections?

MR. HORTIG: No corrections.

MR. PEIRCE: All right. The minutes will stand approved as written. Now, Mr. Hortig, if you will take over on the agenda?

MR. HORTIG: If the Commission please, it might be desirable to consider the agenda items in the order which coincides with personal representations present rather than in the order in which they are found serially accounted for.

MR. PEIRCE: Very good. If you will proceed on that basis, Mr. Hortig ... 

MR. HORTIG: Page 1, gentlemen. MR. PEIRCE: Page 1. MR. HORTIG: Request for deferment of drilling and operating requirements. Signal Oil and Gas Company, Honolulu Oil Corporation and Richfield Oil Corporation, Coal Oil Point, Santa Barbara County, joint lessees on State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, have requested a
further deferment on drilling and operating requirements under the subject leases to December 31, 1958, having been previously granted deferment by the Commission to January 1, 1958. During September 1957, additional exploration was completed on the leases, using mobile drilling equipment. Information obtained from this exploration will have to be studied and correlated with other geological and geophysical data heretofore obtained, to serve as a basis for future drilling plans. Total of approximately $600,000 has been reported expended on this aforesaid exploration alone. It is recommended that the Commission authorize the granting to the joint lessees, Signal Oil and Gas, Honolulu Oil Corporation and Richfield Oil, lessees under State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, of a deferment of the drilling and operating requirements under the subject leases to December 31, 1958. This grant of deferment is to be subject to the express condition that during the period of deferment the lessees will perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the entire lease area; or
3. Present adequate bases not considered heretofore for consideration of any further extension of the drilling and operating requirements under the respective leases.

Representatives of both Richfield Oil Corporation and Signal Oil and Gas Company are here today.
MR. PEIRCE: Any opposition to this recommendation? Is it acceptable to the companies? Mr. Ottoson, O. K. with you?

MR. OTTOSON: Fine.

MR. PEIRCE: Mr. Cook? MR. COOK: Yes.

MR. PEIRCE: O.K. The recommendation is approved.

MR. HORTIG: Page 2. Amendment of Oil and Gas Lease P.R.C. 427.1, General Petroleum Corporation, Rincon Field, Ventura County. The General Petroleum Corporation is lessee under Lease P.R.C. 427.1 in Rincon Field under a lease originally issued for a term of twenty years in 1930 and subsequently renewed by this Commission pursuant to the Public Resources Code, which provides for a renewal from 1950 for a period of ten years and thereafter to be extended for such periods of time as and if the Legislature provides. By amendment to the Public Resources Code effective September 11, 1957, it is now provided that any existing lease may be amended to take advantage of the revisions in Section 6873 of the Public Resources Code, which, in effect, would permit a lessee to further extend existing piers or to drill from mobile marine drilling equipment, and so forth, which were not previously authorized under the lease as issued but which are now authorized under the Cunningham-Shell Tidelands Act in new leases to be issued.

Pursuant to this provision and the opinion of the office of the Attorney General that this lease may be amended
to incorporate these revised provisions of the act, General Petroleum Corporation has submitted an application for revision of the lease in order to permit expansion of existing pier facilities, which are currently overcrowded and which must be expanded if the lease is to be developed with the maximum efficiency. Therefore, it is recommended that the Commission approve the modification of the terms of Oil and Gas Lease P.R.C. 427.1, as requested by General Petroleum Corporation, in accordance with provisions of Chapter 104 of the Statutes of 1957, to permit all types of action authorized under Section 6873 of the Public Resources Code, all other terms, conditions and performance requirements under the subject lease to remain unchanged.

MR. PEIRCE: Is there any opposition to this measure?

MR. HORTIG: Mr. Ketchum is here.

MR. KIRKWOOD: Would this give to this company any different rights than we have been granting under the new leases?

MR. HORTIG: No sir.

MR. KIRKWOOD: ... because this is an area -- because there is development already, we have been referring to a mile off shore.

MR. HORTIG: On some leases, yes. Actually, of course, the existing General Petroleum field and others in the Rincon Field already start from a mile off shore and extend a half mile on shore, as they have for many years. The proposed expansion is located on the seaward end of the pier.
MR. KIRKWOOD: This is normally the sort of thing that before we would grant under the existing law or make a part of a lease, wouldn't we have to hold a public hearing and give the on-shore people a chance to be heard, or at least notify them?

MR. HORTIG: That is correct, sir. I might cite that this pier is the structure physically closest to the island being constructed by Richfield Oil Corporation under their latest lease, the construction of which island two years ago was reviewed with the County of Ventura, the Planning Commission, and the Board of Supervisors. They had no objection as to its placement and the island is as close to shore as the seaward end of this existing pier as it is proposed to be expanded. The County of Ventura have been generally cooperative with respect to reasonable oil and gas developments. There is the further control that even with the lease amended as proposed, wells may only be drilled from a location to an objective and on a course approved by the Division in each instance, and at any time, therefore, the Commission has the control still to determine the location of any new structure from shore under the provisions of the lease. In the event that local opinion or other physical factors dictate that there should be such control, the Commission would still have this full control of those features where there has been a specific offset specified at the time of issuance.
MR. PEIRCE: The County has no objection to this?

MR. HORTIG: No sir.

MR. PEIRCE: Mr. Ketchum, does your company have any objections to the recommendations submitted?

MR. KETCHUM: No sir, we do not.

MR. KIRKWOOD: There is no other objector to this?

MR. HORTIG: Not to our knowledge, no sir.

MR. KIRKWOOD: Is this a policy decision of first impression or is this consistent with things the Commission has done?

MR. HORTIG: This would be precedent. This is the first application being considered for amendment of this type pursuant to this authorization which became effective September 11th as to any lease.

MR. KIRKWOOD: Yes, but to this specific amendment -- has the Commission in prior years given similar changes where there have been other amendments to the law?

MR. HORTIG: I don't believe that we have had any prior authorizations that were really analogous, Mr. Kirkwood.

MR. KIRKWOOD: How big an area does this cover?

MR. HORTIG: The lease contains 148 acres.

MR. KIRKWOOD: How far out?

MR. HORTIG: Roughly, three-eighths of a mile.

MR. KIRKWOOD: It is pretty well built up along the shore?

MR. HORTIG: This is between the highway and the beach
at Rincon, where you see the multiplicity of piers, as well
as the highway on the upland side as you drive through.

MR. KIRKWOOD: In that particular situation I can't
see any objection.

MR. PEIRCE: Is there anyone present who desires to
speak on this recommendation before the Commission takes
action?

VOICE: May I ask a question?

MR. PEIRCE: Your name, please?

VOICE: My name is Templeton. I want to inquire if
this would permit an ocean floor completion.

MR. HORTIG: I believe so, Mr. Templeton. As a
matter of fact, if you are aware of a basis for mechanically
completing on the ocean floor, I am sure the staff and the
Commission would be very happy to hear about it because
obviously that type of completion can solve many of our
future operating problems.

MR. TEMPLETON: Well, I am not prepared to speak
authoritatively on the subject at this time. I don't know
as anybody is, except as it is being developed gradually --
I don't know that anyone would attempt completion, full
completion of an oil well on the ocean floor.

MR. PEIRCE: Any further discussion? (No response)
If not, the recommendation is approved.

MR. HORTIG: If you gentlemen will refer to page 5, we
have similar action requested by the Monterey Oil Company
and Texas Company as joint lessees on a lease in the Seal Beach Field, which you gentlemen know is the location of the Monterey offshore island, in which it is requested that authorization be given for amendment of State Oil and Gas Lease P.R.C. 186 to take advantage of Chapter 104, Statutes of 1957, again to permit operations within the lease from any type of offshore structure from which it is mechanically possible to do so. This lease also was issued without any limitation as to distances offshore of any islands to be placed at the time, except it was provided originally that if wells were to be located on the then existing jetties, that the wells would have to be placed 1,000 feet from the shore line. The jetties at the time were only 700 feet long so this wasn't an impossible condition and this was developed subsequently by development of the offshore island, which in this instance is 8100 feet offshore; and it would be necessary that there be Commission approval of any of these broadened types of operation proposed, because of the public objections that were stated and the limitations in the permit issued by the U. S. Corps of Engineers as to where structures might be located on this specific lease. There were no similar limitations in the lease just considered at Rincon.

MR. KIRKWOOD: Was that before any actual structures were started, it would have to be brought back to the Commission for specific approval? MR. HORTIG: Yes.

MR. PEIRCE: This is essentially the same recommendation as the one just approved? MR. HORTIG: Yes.
MR. PEIRCE: Except it applies to a different area and to two different companies.

MR. HORTIG: Correct, sir; and, incidentally, Mr. Ernest Pyles of Monterey expected to be here today to answer the Commission’s questions. He caught me five minutes before plane time last night, on the telephone. He has a very bad cold -- I had extreme difficulty understanding him.

MR. PEIRCE: He has no objection to this?

MR. HORTIG: No sir, it’s their application that approval be granted.

MR. PEIRCE: I mean the manner in which the approval is granted meets his approval?

MR. HORTIG: Yes sir.

MR. KIRKWOOD: Certainly, I would think before authorizing a structure in this type of area we would have to go back and give some sort of notice to the on-shore people, give them the protection they think is necessary. As long as we retain control over any specific action, I recommend it.

MR. PEIRCE: All right. The recommendation is approved. Now back to page 4?

MR. HORTIG: Back to page 4, gentlemen. I am not aware of any representative here. This is in the series and we might complete it. State Oil and Gas Lease P.R.C. 91 is unique in the series of State oil and gas leases in that it
was the only one issued under one of the alternatives under
the Public Resources Code which permitted issuance of a
lease for twenty years with no provision for renewal of
lease. This lease was so issued and subsequently the Legis-
lature provided that, in the event any lease had been
issued for a term of twenty years, the Commission might at
any time prior to its expiration extend the lease for any
time that is deemed for the best interests of the State and
provided for specific renewal -- that it shall be for five
years or as long as oil or gas shall be produced in paying
quantities or the lessee shall be conducting producing,
drilling, deepening, repairing, redrilling or other neces-
sary lease or well maintenance operations.

There are currently twenty-seven wells producing in
the area. The most recent were from mobile equipment dur-
ing July 1957, to secure data as a basis for determination
of a future drilling program.

In consideration of the expiration now indicated in
1963, the lessees feel it is appropriate that the Commission
should consider, under the alternatives now provided in
the Public Resources Code, granting an extension of time
so that they have a firm period within which to carry on
their future developments.

It is recommended that the Commission authorize
approval of renewal of Oil and Gas Lease P.R.C. 91 in
accordance with provisions of Section 6827 of the Public
Resources Code, as requested by the operator, for a term of five years and so long as oil and gas is produced in paying quantities and lessee is drilling, repairing, re-drilling, or conducting other necessary lease or well maintenance operations. All other terms and conditions of the lease are to remain unchanged and in full force and effect.

MR. PEIRCE: This proposed action is in harmony with the provisions of the original lease?

MR. HORTIG: It is in harmony with the provisions of the original lease and the additional authorities that were granted by the Legislature subsequent to the issuance of the lease; and while it would be a precedent, it would be a precedent of no further application because this is the only lease of the type that was ever issued.

MR. KIRKWOOD: Are we considered to have any discretion here or is this automatic?

MR. HORTIG: The Commission has the discretion -- the Commission may grant this extension; the Commission may also withhold it.

MR. KIRKWOOD: What are the terms -- I mean of the royalties?

MR. HORTIG: This lease is the one that yielded the highest royalty bid of all prior to the last Richfield bid. In other words, for ten years or more it held the record for having offered the highest royalty and it is actually
the lease which has paid the highest individual oil royalty, for a period of time upwards of sixty percent.

MR. PEIRCE: What was the term of the original lease?

MR. HORTIG: Twenty years from 1943.

MR. PEIRCE: What did the company contemplate, at the time the lease was negotiated, at the end of the twenty years?

MR. HORTIG: They were happy to take it in order to get a lease at all; and, of course, have viewed for some time the desirability or possibility of extending it in view of the authorization which has been granted by the Legislature to the Commission to consider such extensions.

MR. KIRKWOOD: Has this recommendation been reviewed with the A. G.'s office?

MR. HORTIG: In broad general terms as to its corresponding directly to the language provided in the act, it has. Would you care to comment on that, Mr. Golden?

MR. GOLDEN: Mr. Kirkwood, I am Howard Golden, Deputy Attorney General. I have discussed this matter with Mr. Hortig. I believe that the renewal is pursuant to the provisions of Public Resources Code Section 6827 and that the Commission does possess the discretion to authorize such a renewal.

MR. KIRKWOOD: Would we have discretion to authorize different terms, too? What if we didn't take this action? Then what would happen? Would we then be in a position
just to put it out for a new bid at the end of the lease? And is it your judgment, Frank, that we wouldn't do as well as we would under this renewal, or what?

MR. HORTIG: This would be extremely difficult to evaluate at this time. However, in general, many problems of equity, as well as actual operation, arise where in those few instances we are aware of there has been a firm term lease that has not been renewed by other agencies to a particular lessee, where he has had a going operation of the magnitude this one contemplates; and it appears to have been the intent of the Legislature to eliminate those problems by permitting renewals and extensions of existing producing leases -- which this is.

As to the first part of your question, as to whether a renewal could be issued on other terms and conditions at this time, I believe the Code provides that it shall be on the same terms and conditions as existent. Is that correct, Mr. Golden?

MR. GOLDEN: Unless the Commission and the lessee shall otherwise agree.

MR. PEIRCE: We haven't any choice in the matter.

MR. HORTIG: Well, it's a choice of no renewal or a renewal.

MR. PEIRCE: Let's be practical about it. If there is no renewal, what happens? Operations start . . .

MR. HORTIG: Then at the end of twenty years the
State would have an operation. In 1963, six years from now, the State would have a lease for which it would have to secure an operator.

MR. KIRKWOOD: The lessee would own the operating facilities? Or would they become a part of . . .

MR. HORTIG: Such things as were not fixtures, the lessee is authorized to remove; and, further, whether at that late stage of development a more satisfactory royalty bid could be secured than that that was secured, when this was the second highest royalty offered the State, that would be the question.

MR. KIRKWOOD: You know of no objections?

MR. HORTIG: No sir, inasmuch as it is particularly a one-time precedent.

MR. PEIRCE: All right. The recommendation is approved.

MR. HORTIG: Many of the gentlemen here are interested in the item on page 6. Existing geological survey permits authorized by the Commission require that such permit be obtained for the drilling of any hole to a depth of greater than 500 feet below the ocean floor. Amendments to the Commission's rules and regulations will become effective November 14th providing that, in conformance with statutory amendments effective September 11 or earlier, geological survey permits will be required on tide and submerged lands irrespective of the depth of the hole. (Page 6, Mr. Kirkwood)
It is recommended that the Commission authorize the revocation of all existing geological survey permits as listed on Exhibit A hereto and to issue new permits effective November 15th for the conduct of geological surveys on those tide and submerged lands under the jurisdiction of the State Lands Commission, irrespective of the depth of the hole drilled for obtaining samples.

MR. PEIRCE: This is merely carrying out the provisions of the recent statute?

MR. HORTIG: And the new rules and regulations to conform our permits thereto.

MR. KIRKWOOD: Otherwise, the terms of the permit would remain the same?

MR. HORTIG: That is right.

MR. PEIRCE: Is there any objection? Mr. Hutchins.

MR. HUTCHINS: We have an application in for an additional extension. Would that come under the terms of this?

MR. HORTIG: Yes. MR. HUTCHINS: Thank you.

MR. PEIRCE: The recommendation is approved.

MR. HORTIG: Page 8. On October 14th, two bids were received in response to a public notice of intention of the Commission to enter into a lease for the extraction of sand from 239 acres of tide and submerged lands in San Francisco Bay in Marin and San Francisco Counties. The Commission previously authorized publication of this offer. The two bidders complied with the terms and conditions of...
the offer. Moe Sand Company, the highest qualified bidder, offered a royalty of three cents per cubic yard, plus an additional ten percent of the sales price in excess of thirty cents a cubic yard.

It is recommended that the Commission authorize the issuance of a mineral extraction lease to the Moe Sand Company for the 239 acres of tide and submerged lands in San Francisco Bay, as detailed in the notice of intention under Work Order 2665, subject to payment of royalty in accordance with the established schedule. A performance bond in the penal sum of $5,000 is to be deposited by the lessee to guarantee faithful performance of all lease conditions. Representatives of both high and low bidders are present if the Commission desire any further information.

MR. PEIRCE: Are there any objections to the recommendation of the Executive Officer?

MR. KIRKWOOD: This additional ten percent of the sales price in excess of thirty cents per yard will bring in some revenue? MR. HORTIG: Yes sir.

MR. KIRKWOOD: Is this a thing that is called for by the bids? Is it responsive to the bid?

MR. HORTIG: It is responsive to the bid. The formula given in the recommendation, as you see, is the formula that is put in the bid and a so-called bid factor is received from the bidders, pursuant to the established policy of the Commission with respect to offering mineral leases other
than oil and gas. This policy, incidentally, is under staff review, with the intention of bringing recommendations for further modifications at a later date. However, this offer is identical with those that have been offered over the last nine years by the Lands Commission.

MR. KIRKWOOD: No problem of comparability?

MR. HORTIG: No problem in evaluating the bids.

The problem is explaining it to the bidders in the first instance.

MR. PEIRCE: How many bids were received on this?

MR. HORTIG: Two bids.

MR. PEIRCE: Any further questions?

MR. KIRKWOOD: What is the bid factor? What do you bid on - ten percent?

MR. HORTIG: That 0.10 immediately preceding the parenthesis is a blank in the bid offer and the bidder inserts that multiplier.

MR. KIRKWOOD: I see. O. K.

MR. PEIRCE: All right. The recommendation is approved.

MR. HORTIG: Page 41, gentlemen. On July 15, the Commission approved the costs to be expended in the 1957-58 fiscal year by the Harbor Department of the City of Long Beach including subsidence remedial work for the "Roads and Streets" area project. Subsequent to the above mentioned approval it has developed that additional costs will be incurred by
the Harbor Department as compared to the present estimate, as detailed also on Exhibit A attached. This project has received staff review and is considered to be proper and the increased costs are considered to be reasonable. It is therefore recommended that the Commission approve such costs proposed to be expended by the City over and above those costs previously approved under this stated named project, for the period November 12, 1957 to June 30, 1958, subject to the standard reservations adopted by the Commission for approval of projects of this type.

MR. KIRKWOOD: This is the same type we had before?

MR. HORTIG: Yes sir -- cost more than originally estimated.

MR. PEIRCE: This meets the approval of the City of Long Beach? MR. HORTIG: Yes.

MR. PEIRCE: All right. The recommendation is approved.

MR. HORTIG: Page 43. The Commission has heretofore approved costs proposed to be expended by the City of Long Beach in September-October-November 1957 for property purchase, for areal fills, and building removal. These approvals have been on a monthly basis rather than on a fiscal year basis, since the major project, the "Town Lot" project, has not been processed sufficiently to be proposed in its entirety for fiscal year approval by the Commission. Under these circumstances, in order to continue operations under this project, it is again necessary to present to the
Commission the recommendation for approval of costs proposed to be expended by the City of Long Beach during November and December 1957 on the "Town Lot" project, as detailed in Exhibit A on page 44 following.

It is recommended that the Commission conditionally approve the "Town Lot" area project as a subsidence project and the costs proposed to be expended thereunder for property purchase, building removal and areal fill, and force account, as shown on Exhibit A attached, subject to the standard conditions that the Commission has heretofore determined applicable to project approvals; with the additional condition that the City of Long Beach is not authorized to withhold from revenues due the State any costs for the "Town Lot" project until Commission approval has been had. This, again, is repetitive in the sense that the Commission approved an identical item last month and the month preceding.

MR. PEIRCE: This is routine, then?

MR. HORTIG: Identical in principle.

MR. PEIRCE: All right? Mr. Kirkwood moves -- the recommendation is approved.

MR. HORTIG: Page 45, please. The Commission has heretofore approved costs proposed to be expended at the City of Long Beach for force account for the new Administration Building, such items to be expended during the months of September, October and November. Similarly to
the project just discussed, this project has not yet been determined completely as to bases for recommendation to the Commission on a fiscal year basis. Therefore, it is recommended that the Commission approve costs proposed to be expended by the City of Long Beach during December 1957 and for engineering work precedent to the establishment of the new Administration Building of the Long Beach Harbor Department, subject again to the standard terms and conditions that the Commission has determined to be applicable to all project approvals requiring engineering review and final audit subsequent to the time the work is completed and prior to the time of determining actual allowances.

MR. KIRKWOOD: This is O. K.

MR. PEIRCE: Recommendation is approved.

MR. HORTIG: Will you gentlemen please refer to the bottom of your calendar, to which has been added a supplemental item? The six existent drilling and operating contracts heretofore entered into between the Board of Harbor Commissioners of the City of Long Beach and the Long Beach Oil Development Company relating to tidelands oil development on granted parcels of tide and submerged lands provide that the contractor may expend the reasonable and necessary costs for performance of labor on the respective contracts. Consideration has been given to a form of a plan for incentive pay demanded by the contractor's employees. Both the City of Long Beach and the contractor consider the plans to
be equitable and comparable to other employee benefit plans within the oil industry. Because the plan provides for deferred compensation through a trust fund, it has been determined that the subject six contracts must be amended to provide for accumulation of the trust fund and such amendment must be approved by the State Lands Commission under Chapter 29.

Pursuant to Section 10, Chapter 29, Statutes of 1956, First Extra Session, the Board of Harbor Commissioners have submitted a plan for an amendatory agreement for increased, incentive pay and other benefits for the employees of the Long Beach Oil Development Company. The form and content of the proposed amendment have also been approved by the Council of the City of Long Beach.

Review by the State Lands Division staff has shown that the benefits proposed are reasonable in comparison with the operating practices of the major operators in the field. The form of agreement amendment has been reviewed by the office of the Attorney General with respect to conformance with Chapter 29 in view of the fact that the Commission may consider it for approval subject to two conditions, which are, therefore, included in the recommendation:

It is recommended that the Commission approve amendment of drilling and operating contracts dated March 15, 1939, January 2, 1942 and August 3, 1944 submitted by the Board of Harbor Commissioners of the City of Long Beach,
to provide a plan for incentive pay and other benefits for
the employees of the Long Beach Oil Development Company,
subject to the following conditions:

(1) Surety for the bonds covering the six drilling
and operating contracts shall expressly advise the Commis-
sion in writing that the bonds are interpreted by the bond-
ing company to cover a warranty by the Long Beach Develop-
ment Company that an amount equal to any excess in the trust
fund at termination will be paid to the City of Long Beach.

(2) The City of Long Beach and the Long Beach Devel-
opment Company shall advise the Commission in writing of
the specific understanding that any funds remaining in the
trust fund at termination will be distributed half to the
City and half to the State.

These are satisfactory to the representatives of
the City of Long Beach and the Long Beach Development Company.

MR. PEIRCE: And you so recommend?

MR. HORTIG: Yes sir.

MR. PEIRCE: There is an element of urgency in this
regard?

MR. HORTIG: Yes, there is. It's a matter of
employee relations primarily. This item, while it has just
recently come to the attention of the staff in final form,
has been a matter of extended and lengthy negotiations, as
you can appreciate, between the contractor and the City and
the employees.
MR. BRADY: Mr. Chairman, I am Philip Brady, Deputy Attorney of the City of Long Beach. I talked to Mr. Hortig this morning and the conditions are perfectly in accord with the City. Mr. Golden did make one suggestion -- in view of the fact that the surety has not executed the surety bond, rather than have the surety give a letter to the Commission that we revise the surety itself, so as to expressly spell out condition number one -- which we are willing to do right in the agreement.

MR. PEIRCE: Acceptable, Mr. Hortig?

MR. HORTIG: This is a matter of mechanics and it is certainly acceptable. This alternative had been proposed to avoid the necessity of modifying any documents already executed. If this is acceptable to the City and the surety, it is certainly acceptable to us.

MR. BRADY: We would much rather do it by letter than by redrafting the surety, if that would meet the approval of the Attorney General.

MR. PEIRCE: Would this require rewriting?

MR. HORTIG: Yes, to the extent that rather than requiring a specific writing from the surety of the understanding, the understanding would be included in the document itself as to acceptance by the surety. Would you want to comment further on the desirability of either of these alternatives, Mr. Golden?

MR. GOLDEN: Because the consent of the surety has
not yet been executed, it is my opinion that it would be preferable to incorporate the proviso discussed by Mr. Brady directly into the consent of the surety. With respect to whether it is necessary to rewrite your recommendation, it seems to me that the execution of the consent of the surety embodying the provisions that we are discussing would be simply one means of advising the Commission in writing that the bonds are interpreted by the bonding company to insure performance of the particular warranty by the contractor.

MR. HORTIG: Fine. Under those circumstances, the recommendation is before the Commission as stated.

MR. KIRKWOOD: Move the recommendation.

MR. PEIRCE: Now, Mr. Brady, does that meet your approval? MR. BRADY: Yes.

MR. PEIRCE: All right. We are in accord. The recommendation is approved.

MR. HORTIG: May I have thirty seconds to determine where we are, gentlemen? .......... Mr. Chairman, I believe those are all the items on which there is personal representation this morning. I would appreciate it if you might ask if anyone wishes to be heard.

MR. PEIRCE: Is there anyone else present who is interested in being present at the time any of the general items of the agenda are considered? If so, we will rearrange the agenda and take up the item that concerns you.

(No response)
MR. PEIRCE: I would take it we can proceed in the general order. Page 9?

MR. HURTIG: Page 9. The Commission may recall that at the last meeting a bid of Columbia-Southern Chemical Corporation for a mineral extraction lease was rejected because the bid was not responsive to the bid offer. The Columbia-Southern Chemical have now filed a new application to reinstitute the bidding proceeding, requesting a new offer by the Commission of a lease on an area of land in the bed of Owens Lake to provide for mineral extraction from the lease, in accordance with the minimum royalties as specified in the Public Resources Code. It is recommended that the Commission authorize the publication of the offer for lease and request for bids.

MR. KIRKWOOD: All our costs were reimbursed?

MR. HORTIG: Yes sir, they were.

MR. KIRKWOOD: Move the approval.

MR. PEIRCE: All right, the recommendation is approved.

MR. HORTIG: Page 12 — an analogous item. An application has been received from Zodiac Uranium, Inc. for a mineral extraction lease on 320 acres of vacant State school land in Tehama County, which had previously been included under a mineral extraction lease. A field renaissance has established that commercially valuable deposits exist. It is recommended that the Commission authorize the
publication of the lease in accordance with the rules and
regulations and statutes applicable.

For your information, Mr. Kirkwood, at this point—

As you see, in the formula there is a "B". This is the bid
factor, which the bidder inserts, which in the other lease
was offered at 0.10 by the bidder.

MR. PEIRCE: Any questions?

MR. KIRKWOOD: No.

MR. PEIRCE: The recommendation is approved.

MR. HORTIG: Page 13. Four separate lease agreements
have heretofore been entered into in 1953, '54 and 1956 to
various lessees for the operation of logging and lumber mill
operations. The lessees have failed to pay rentals due
under the leases, as indicated by the schedule following;
and the leases provided, in part, that the lessee will pay
rentals without deduction, default or delay and in the event
of the failure of the lessee to do so, it shall be lawful
for the State to cancel the lease. The lessees' attorney
has been notified numerous times, and as recently as August
26, 1957, of the defaults under the respective leases and
there has not been any reply even to the last notification.

All the lessees did deposit at the time of issuance
is the last year's rent and it is recommended that the Com-
mission authorize the cancellation of the respective leases
and to apply the last year's rentals to cover the delinquent
rentals.
MR. KIRKWOOD: These have been used for logging?

MR. HORTIG: Actually just for timber-floating
down the stream, no timber operation as such.

MR. PEIRCE: Recommendation is approved.

MR. HORTIG: Page 14, gentlemen. Due to very recent
discussion with the office of the Attorney General relative
to the recommendation to be made, I wish to recommend that
this item be deferred for consideration of the Commission
at the next meeting, after further staff review.

Page 15. Mr. Smith will you take that?

MR. SMITH: These are sales of State school lands.
The recommendation: It is recommended that the Commission
authorize the sale of vacant State school land for cash at
the highest offer in accordance with the following tabulation,
such sales to be subject to all statutory reservations
including minerals. There follows a tabulation of thirteen
school land sales, all of which are routine. There are no
problems involved.

MR. KIRKWOOD: I move the approval.

MR. PEIRCE: The recommendation is approved.

MR. HORTIG: Page 31. The Commission will recall
at the September meeting a presentation by Mr. Raymond R.
Kahl relative to application of statutes relating to transfers of State lands, which the Commission directed be presented to the office of the Attorney General for review -- which we did. The conclusion was relayed to Mr. Kahl.
Mr. Kahl announced a lengthy series of objections, not the least of which was that he felt he had insufficient length of notice of this meeting of the State Lands Commission; and, therefore, I should like to recommend that the Commission defer consideration of this item until the next meeting of the State Lands Commission, to which Mr. Kahl will be invited with an abundance of notice.

MR. PEIRCE: That's O. K. with you, Bob?

MR. KIRKWOOD: Yes.

MR. PEIRCE: O. K. That deferment is approved.

MR. HORTIG: Page 32. Minute Item 14 of the Commission meeting of September 13 reported a transposition of dates in the authorization for extension of time within which the purchase applicants might submit the required amounts to meet the appraised land values established by the staff. It is recommended that the Commission authorize the revision of the resolution of September 13, 1957, Minute Item 14, to read as written. For the information of the Commission, the transposition occurred between the dates of September 13 and November 2 where applicable. They were transferred in the Minute Item. There is no change from the transcript of the action of the Commission, but the transposition occurred between the transcript and the preparation of the Minute Item.

MR. PEIRCE: We are correcting the Minutes?

MR. HORTIG: Yes.
MR. PEIRCE: O. K. The recommendation is approved.

MR. HORTIG: If we may pass temporarily page 33, the representative may yet arrive.

Page 34 -- sale of vacant Federal land. Will you take that, Ken?

MR. SMITH: Yes. Sale of vacant Federal land -- and the Commission at its meeting of May 1957 approved the sale. The application involved 586 acres. When the sale was approved, the Bureau of Land Management had allowed the application in its entirety. After approval of the sale by the Commission and deposit of the moneys to the appropriate fund by the applicant, the Bureau of Land Management rejected forty acres of the application, thereby necessitating a refund of the amount paid for that forty acres to the applicant. The recommendation:

It is recommended that the resolution adopted by the Commission at its meeting May 13, 1957 be rescinded as to that parcel of land included therein and described as the SW ¼ of the SW ¼ of Section 35, containing forty acres, for the reason that the State's application for said land was rejected by the Federal government. Further, that authority be granted the acting Executive Officer to issue restitution in accordance with law providing for refund of the purchase price paid for that forty acres. The Public Resources Code, Section 7971, provides for a certificate of restitution.
MR. PEIRCE: We haven't any choice in the matter, have we?

MR. HORTIG: No sir, this is standard.

MR. KIRKWOOD: The breakdown is given so that the $280 was originally assigned to this?

MR. HORTIG: That's right.

MR. KIRKWOOD: O. K.

MR. PEIRCE: The recommendation is approved.

MR. HORTIG: Page 35. Ken?

MR. SMITH: An offer has been received from Lois Cagle Kander of Los Angeles to purchase forty acres of vacant Federal land at San Bernardino County. The lands were appraised at $450 per acre. She objected to the appraised value and an additional period of twenty days was allowed her to submit the additional amount to meet the appraisal or to submit evidence showing where the staff appraisal was in error. She has failed to submit the deposit to meet the appraisal and also has failed to submit any evidence showing where the original appraisal may have been in error.

It is, therefore, recommended that the Commission grant the additional twenty-day period to meet the appraised value or submit evidence with respect to the value; and to determine that it is to the advantage of the State to select the forty acres in San Bernardino County; that the Commission find that this said land is not suitable for cultivation.
without artificial irrigation; that the Commission approve
the selection thereof and authorize the sale thereof subject
to rules and regulations governing vacant school land.

MR. KIRKWOOD: What makes this worth so much?

MR. SMITH: It is very close to an area that has
been developed for subdivision use.

MR. PEIRCE: Is this the application where the appli-
cant appeared before us one or two meetings ago?

MR. HORTIG: No sir, that is the item we have passed
on the calendar.

MR. PEIRCE: Oh, yes. It is quite a range -- in
other words, the applicant offers $200 and the appraisal is
$18,000.

MR. KIRKWOOD: That's the minimum.

MR. HORTIG: Well, that's the minimum.

MR. KIRKWOOD: What do we do with this now?

MR. SMITH: It will be placed on the vacant school
land list and sold in competitive bidding. Anyone can apply.

MR. KIRKWOOD: But we have to wait for the application.

MR. SMITH: The minimum application will be $450.00.

MR. PEIRCE: This recommendation merely gives an
extension of time?

MR. HORTIG: No sir. This recommendation confirms
extension previously granted by the staff; effectively cancels
Mrs. Kander's application; selects the land and places it on
the vacant school land list for sale pursuant to the vacant
school land procedure.
MR. PEIRCE: In other words, we are confirming this extension of this matter by you?

MR. HORTIG: Yes sir.

MR. KIRKWOOD: How long does that $450 appraisal stand there?

MR. SMITH: Until it's reappraised, based upon a filing of an application for purchase. It may go up or may be revised downward, depending on the land trend values.

MR. KIRKWOOD: It is all right.

MR. PEIRCE: Recommendation is approved.

MR. HORTIG: Page 36, Ken.


It is recommended that the Commission determine that it is to the advantage of the State to select Federal lands comprised in the following cases; that the Commission find that said Federal lands are not suitable for cultivation; that the Commission authorize the sale of the land for cash at the total appraised value in accordance with the following tabulation, such sales to be made subject to all statutory reservations including minerals. There follows two tabulations. These are routine.

MR. PEIRCE: The recommendation is approved.

MR. HORTIG: Page 39. An application has been received from Shell Oil Company for permit to dredge tide and submerged lands of the State adjoining a wharf at Martinez to improve docking facilities. The lands to be dredged are

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held by Shell Oil Company under a State lease for maintenance and utilization of the wharf. Public Resources Code Section 6303 provides, in part, that the Commission may allow a contractor or permittee to have sands, gravel or other spoils dredged from the sovereign lands of the State without paying a royalty therefor where the permittee has the permit from the Federal government to dredge lands for the improvement of navigation.

It is recommended that the Commission authorize the issuance of a permit to Shell Oil Company to dredge the tide and submerged lands adjoining the wharf at Martinez, Contra Costa County, under P.R.C. Lease 543.1, subject to the issuance of permit by the U. S. Corps of Engineers for such dredging in improvement of navigation. The permit shall limit the dredging to a maximum of 350,000 cubic yards. The consideration for the permit shall be the benefit to navigation.

MR. KIRKWOOD: All right.

MR. PEIRCE: Recommendation is approved.

MR. HORTIG: Page 40. On October 31, the Lands Division was informed that the City of Richmond proposed to extend its corporate limits by annexation of uninhabited territory contiguous to the present upland city limits, including approximately 4,810 acres of tide and submerged lands in San Francisco Bay. Under the revised Government Code, as revised by the Statutes of 1957, when territory
proposed to be annexed consists entirely of tide and submerged lands of the State, the legislative body (in this instance the City of Richmond) shall determine the value of such tide and submerged lands for the purposes of this article. For the purposes of such determination, the State Lands Commission shall fix the value of tide or submerged lands owned by the State and shall notify the legislative body of its determination. The City of Richmond has requested that the Commission determine and fix these values and submit them before November 25, 1957, which is the date now set for the proposed hearing.

A review of the location and potential utilization of the lands proposed to be annexed has not developed any bases for the Commission objecting to this annexation. An appraisal of the area, based upon the most recent appraisals for similar lands in San Francisco Bay, has resulted in an estimated average value of $100.00 an acre for the subject land.

It is recommended that the Commission authorize notification of the City Council of the City of Richmond that the total value of the lands to be annexed has been fixed at $481,000, pursuant to the provisions for such determination as specified in Section 35313.1 of the Government Code.

MR. KIRKWOOD: Where does this land lie?

MR. HORTIG: Immediately in front of the upland
portions of the City of Richmond. There is a slight fanning
to the north, but there is no shoestring annexation up and
down the coast.

MR. PEIRCE: What use will the City make of this land, or do you know?

MR. HORTIG: They are interested, and have been for a considerable period of time, in further harbor develop-
ment. They already have a few docks and piers in operation there and in anticipation of a dredging project -- which
will be extensive, incidentally -- to render this land navigable over two or three feet of water for a goodly portion of it, they hope to augment their harbor facilities and would like to have the harbor development within the city limits for the normal purposes of municipal control.

MR. PEIRCE: Have we as a Commission heretofore made grants of this nature?

MR. KIRKWOOD: This isn't a grant. This isn't a sale. They will have to come back to us for permission to do any dredging.

MR. HORTIG: They will have to come back to us for permission to erect any piers. They will still have to be authorized.

MR. KIRKWOOD: This is just for the purpose of annexation.

MR. HORTIG: You may recall in the Santa Barbara case, there was an argument. If the owners of more than
fifty percent of the value of the land approve, the annexation follows.

MR. PEIRCE: In other words, this is annexation and not transfer of title.

MR. HORTIG: No sir, no transfer of title is involved at all. As a matter of fact, they own the majority of the lands in this case and there would normally be no problem with respect to this annexation, except by the specific language of the Government Code it is required that this valuation be made by the Lands Commission. This is the first time we have had a proposed annexation since this amendment of the statutes has been in effect.

MR. KIRKWOOD: O. K.

MR. PEIRCE: All right, the recommendation is approved.

MR. HORTIG: Page 47, gentlemen. On July 15, the Commission appointed F. J. Hortig as acting Executive Officer effective that date, subject to further consideration after review by the Commission of the organization and personnel assignments in the State Lands Division. The attention of the Commission is invited to this matter for consideration of any further required action.

MR. PEIRCE: The question before us now is with respect to the appointment of Mr. Hortig as Executive Officer and to succeed himself as acting Executive Officer. I think both Mr. Kirkwood and I have talked informally with the Lieutenant Governor with respect to this matter and we
are confident that it would meet with his full and, I believe, enthusiastic approval; and so at this time we have before us the question of making Mr. Hortig permanent Executive Officer of the State Lands Commission. Mr. Kirkwood?

MR. KIRKWOOD: Mr. Chairman, I think, as you have indicated, that this is appropriate action for us to take. I think that Mr. Hortig has demonstrated his ability to handle this position and now some of the civil service problems that needed clarification before we made this particular move have been cleared and I would move that we name Mr. Hortig as the Executive Officer of this Commission.

I think one thing has come up as a part of our discussions, one that I don't want to take final action on until we have had a chance to discuss more fully with the Lieutenant Governor, because I personally have some doubts as to just where we should finally place the salary of this office. But, again, I think we can take as temporary action what would be, I am sure, unanimously agreed to by the three of us as the minimum and then hold open the possibility at a later date of increasing the salary. We have explored with people of your department as to what would have been the normal step increase here as of July 1st and are informed that a two-step increase over the old salary would have been given, which would bring this up to the range of $1100-$1200; and I think in view of Mr. Hortig's experience that he should assume this office at the maximum
of that or $1200.00. So I would move that he be named as Executive Officer, with the range to be fixed as that, and that you, as the head of the Department of Finance, be requested to approve his taking office at the maximum.

MR. PEIRCE: You have heard the motion made by Mr. Kirkwood that Mr. Hortig be made Executive Officer and that his compensation be established in the range of $1100-$1200 per month, and that the Commission recommend to the Director of Finance that he approve that Mr. Hortig be paid the top salary in the range; and I will so indicate at this time that it meets the approval of the Director of Finance that that be done and so will be the order.

Now, I want to make note of the fact that Mr. Kirkwood stated that this salary question is subject to further review when the Lieutenant Governor is present and we are taking this action at this time in his absence because we want to expedite the transition of Mr. Hortig's position from acting Executive Officer to Executive Officer. So that will take care of you, Mr. Hortig, for the time being.

MR. HORTIG: Thank you.

MR. PEIRCE: I would like to say this in the presence of those assembled -- that during the time that I have been a member of this Commission, which is four years, I have grown to admire Mr. Hortig and his fine ability very, very much. He is a fine, loyal, devoted public servant. He has left no stone unturned in his efforts to protect the best
interests of the State of California and I am especially
pleased that things have worked out so that he becomes our
Executive Officer. I am sure all of us can expect from Mr.
Hortig loyal devotion to the public service from this point
on and that he will be fair in his dealings with all who
have business to transact with the Lands Commission, having
uppermost in his mind the protection of the best interests
of the State.

Mr. Hortig, I don't know whether I should congratu-
late you or congratulate us for having you as our Executive
Officer.

MR. HORTIG: Thank you.

MR. KIRKWOOD: I would certainly like to second that.

MR. PEIRCE: All right. Mr. Hortig, we will go
back to . . .

MR. HORTIG: Page 33. On September 13, the Com-
mission authorized an extension of time to November 2, 1957
within which the applicants for lands embraced in the num-
bered applications cited in the heading of this item might
submit the required amounts to meet the appraised valuation
established by the staff. November 2 fell on a Saturday
and thereby it was considered automatically gave the appli-
cants an extension to 5:00 p.m. November 4, 1957, the next
working day. On November 4, Mrs. R. E. Thurber reported by
telephone for the balance of the applicants that the balance
of the deposits would be presented in escrow that day.
Pursuant to this representation, an extension of time was granted to November 12 for the respective applications to permit Commission consideration as to whether further time extensions should be granted to permit consummation of the land sales through escrow proceedings. On November 6, Mrs. Thurber reported by telephone that no escrow had been established and requested consideration of two alternative procedures under which partial or token deposits would be accepted and time extensions would be required by the applicants in which to submit the balances of the purchase price.

On November 7, Mrs. Thurber was informed as follows:

"After review of the proposals which you reported yesterday, November 6, it was determined that the maximum that can be done under the law and rules and regulations with respect to the pending applications which you are representing will be a recommendation to the Lands Commission on November 12 to approve any sales to original applicants for which the full cash price is on deposit with the Commission by 5 p.m. November 11, 1957 and to cancel the balance of the applications for which the full cash deposit has not been made."

I would like to interject at that point, the 11th having been a holiday would have been a normal extension to 5 p.m. today for deposit of such funds by the applicants.

It is recommended that the Commission confirm the extension from November 2 to November 12 for the numbered applications as authorized for sale September 13, and authorize the sale of such lands embraced in the respective applications for which the full cash price has been deposited with the Commission by 5 p.m. November 12. The applications...
are to be cancelled as to those applicants who failed to
deposit with the Commission the full cash price prior to
5 p.m. November 12 and any amounts previously deposited
are to be refunded, less expenses incurred.

The lands designated in the respective cancelled
applications are to be offered for sale at competitive
bidding under the rules and regulations governing the sale
of vacant school land.

Since we withheld action on this item, gentlemen,
Mrs. Thurber has arrived. I am sure she would like to
have an opportunity to discuss this.

MRS. THURBER: I think it is very fortunate that
I happened to be here at this moment, after the tribute to
Mr. Hortig, because he is the kind of man that can give you
a negative ruling and make you love him for it. I came
here today expecting to ask permission to voice for our
applicants ... I think you are familiar with the fact that
through my efforts in organization and research and the
assistance of a hundred, 104 friends, we have been in an
effort to pull land out of the Federal government into the
State tax rolls under the lieu land laws, and about thirty
square miles have been brought in that way. Of that thirty,
about 1800 acres have been released to the applicants and
that is the subject matter you have just heard from Mr.
Hortig, who was very gracious fifty days ago in giving me
fifty days' extension in which to finance the very much
higher appraisals than we expected. Unfortunately, we couldn't get anyone interested in the business world to come in with us and especially since the sales of land out in Lucerne Valley are about ten percent of what they were a year ago. So we failed ......

The applicants wish me to say we have never seen any public agency show such courtesy, such real heart in the needs of the citizens of the State. We think this is one of the finest governmental agencies that exists. We hope to do more business with you, and we have been as satisfied with Mr. Hortig. He is aggressive and when he says a thing, it is so. Even though you may wish it is black when it is white, it is still white.

I couldn't ask for a hearing ahead of time because unfortunately ...... I want to say the main motive behind this is not profit making. Our people were not going to gain anything out of this. We have a dream, a dream to create out in the high desert, where health is magnificent, a retirement community for senior citizens. We have interested construction people; we have interested loan companies; we have interested others, if we can get the land -- and the land has to be very low priced in order to take advantage of FHA 203(i). There are millions of people like myself, over sixty, who want easier financial conditions. They are respected citizens, provided two to three hundred dollars a month, which does not mean a thing. A person like myself
could go out in Lucerne Valley with a 16 x 25 living room, with a nice bathroom, a screened terrace -- get it at cost -- the house and lot would only be $7,000. And we dream making an opportunity for thousands of those citizens who all want to come to California if you give them a jog in the elbow. That was our dream, which is not shattered yet. It's such a good thing I feel the Lord is behind us.

I was able to interest this man to put $100,000 approximately into now applying for the land in his own name. We are out of it. I am now relinquishing the right for our applicants because we cannot meet that at five o'clock today. This is a new application and I have agreed to come here today before you because he has only two days in town and here is the check, here is the application. Before I present it, he wanted me to find out two things. It's a lot of money. He wanted an expression from you of what is the period of time required to file this. Can I file this today, or a minute after five, or tomorrow morning or what? And how long will it take Mr. Hortig to process it? I have told him that I think as soon as his money is in, it will be advertised and it will take about thirty days to advertise it for cross bids, and then he will be advised, as I have seen these things go through before. Perhaps the policy is different now. But suppos-edly, that it would take about thirty days for advertising and another thirty days or so to get it to the State office.
MR. PEIRCE: Mr. Hortig, you have heard Mrs. Thurber's question?  
MR. HORTIG: Yes.

MR. PEIRCE: The first question is, can these other applicants withdraw and there be substituted in their stead a new application in the manner suggested by Mrs. Thurber or are there complications in that procedure?

MR. HORTIG: The answer to the question as you have stated it, Mr. Peirce -- no, the applicants cannot withdraw. However, I am not clear on what the presentation is that is being made by Mrs. Thurber. This is the first time I have heard it.

MRS. THURBER: I just got it the last three days.

MR. HORTIG: Is it your proposal to substitute a lieu land application?

MRS. THURBER: You have just put it in the minutes that it's to go into State lands.

MR. HORTIG: Yes, this is the recommendation.

MRS. THURBER: Then if it is State school lands, then he can apply on it and meet the bidding.

MR. HORTIG: On that basis, may I ask Mr. Smith a question? On the assumption that the Commission were to approve the recommendation of the calendar item as it stands, which would permit cancellation after 5 p.m. of any applications for which the deposit had not been made, what time would be involved in transferring the cancelled
lands to the vacant land list and making them available and susceptible to application under the school land sales procedure?

MR. SMITH: All those that have been listed to us, clear listed to us, just a matter of setting them up on our vacant land list -- not more than a day or two. By tomorrow that would be completed and they would be subject to purchase at that time.

MRS. THURBER: Then I can stay over? May I say the same thing about Mr. Smith? We have nearly killed him -- we have written hundreds, hundreds of letters, and always courteously and warmly received.

MR. PEIRCE: Thank you, Mrs. Thurber, for those very nice sentiments.

MR. KIRKWOOD: What is the status of that land? What kind of application is filed and what deposit is necessary?

MR. SMITH: I think there is a balance of thirteen applications, isn't that correct?

MRS. THURBER: Some have been purchased since. This is the balance they haven't purchased. It is now 1431. (?)

MR. HORTIG: It is individual applications. The land has been conveyed to the State by the United States.

MR. SMITH: And those will be transferred to the vacant land list and it's just a matter of placing them on
the vacant school land list. Advertising will be ready to proceed after the usual process.

MR. PEIRCE: Can that be done tomorrow?

MR. SMITH: I think so, or next day. There is no reappraisal necessary. The values heretofore established stay today.

MR. PEIRCE: If Mrs. Thurber stays over, can she make application?

MR. SMITH: I think we can arrange it this afternoon.

MR. KIRKWOOD: You have until 5 p.m. before you cancel.

MR. HORTIG: You have to wait until 5 p.m. until you can clear them.

MR. SMITH: That's right.

MRS. THURBER: I am very grateful. This is the kind of cooperation we appreciate.

MR. PEIRCE: All right, Mrs. Thurber. It is good to see you again and Mr. Smith will see you again.

MR. HORTIG: Only if you gentlemen vote on this recommendation.

MR. PEIRCE: Yes. The recommendation is approved, so we are all in the clear now. All right, Mr. Hortig, what comes next?

MR. HORTIG: Page 48.... the transactions previously consummated by the Executive Officer, under delegations of authority, which have not been confirmed by the Commission.
are listed and it is recommended that the Commission confirm the actions of the Executive Officer thus reported.

MR. PEIRCE: These are all routine items.

MR. KIRKWOOD: So move.

MR. PEIRCE: All right, the recommendation is approved that the Commission confirm the actions of the Executive Officer thus reported.

Is there any other business coming before the Commission?

MR. HORTIG: That completes the calendar.

MR. PEIRCE: There being no further business, the meeting will stand adjourned.

MEETING ADJOURNED AT 11:40 A.M.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, Reporter for the Division of Administrative Procedure, hereby certify that the foregoing is a full, true and correct transcript of the shorthand notes taken by me at the meeting of the STATE LANDS COMMISSION on November 12, 1957 at Sacramento, California.

Dated at Sacramento November 14, 1957.

[Signature]