BEFORE THE STATE LANDS COMMISSION
OF THE
STATE OF CALIFORNIA

IN THE MATTER OF THE CALENDAR
OF MEETING OF THE STATE LANDS
COMMISSION HELD AT LOS ANGELES,
CALIFORNIA.

TRANSCRIPT OF HEARING HELD
ON TUESDAY, MAY 13, 1958, IN
ROOM 916, MIRROR BUILDING,
LOS ANGELES, CALIFORNIA.

JOHN J. RABASA, C. S. R.
224 WILSON BUILDING
132 WEST FIRST STREET
LOS ANGELES 12, CALIFORNIA
MUTUAL 5863
BEFORE THE STATE LANDS COMMISSION
OF THE
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IN THE MATTER OF THE CALENDAR
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The above-entitled matter came on regularly
for hearing before the State Lands Commission in Room
916, Mirror Building, Los Angeles, California, on Monday,
May 13, 1958, at the hour of 9:30 A.M.

(For appearances see following page.)
APPEARANCES:

For the State Lands Commission:

JOHN M. PEIRCE, Chairman
ROBERT C. KIRKWOOD, Member
LIEUTENANT GOVERNOR HAROLD J. POWERS, Member

Staff Members in Attendance:

F. J. HORTIG, Executive Officer
JAY L. SHAVALSON, Deputy Attorney General
KENNETH C. SMITH, Supervising Land Title Examiner
RICHARD T. HANNA, Member of the Assembly Judiciary Subcommittee on Tidelands
FRANK W. PORTER, Administrative Service Officer
JULIA T. STAHL, Secretary

Parties in Attendance Participating:

E. E. PYLES, Monterey Oil Company, Los Angeles.
P. A. DOUGLAS, Wildlife Conservation Board, Fish and Game, Los Angeles.
HAROLD A. LINGLE, Long Beach City Attorney.
EVERETT E. HORN, Executive Officer, California Wildlife Conservation Board, Sacramento, California.
### INDEX

#### AGENDA ITEMS

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of Minutes, Meeting of April 14, 1958.</td>
<td>4</td>
</tr>
</tbody>
</table>

#### Calendar Items

<table>
<thead>
<tr>
<th>Page</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>&quot;</td>
<td>19</td>
</tr>
<tr>
<td>&quot;</td>
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<td>&quot;</td>
<td>6</td>
</tr>
</tbody>
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CHAIRMAN PEIRCE: The meeting will come to order. While we are waiting for the Lieutenant Governor that is reported to be on the way, we will take up certain routine items.

First of all, I think it is in order for us to consider approval of the minutes of the meeting which took place on April 14th. Copies have been mailed to the members of the Commission. Are there any corrections, Mr. Hortig?

MR. HORTIG: Not that we are aware of at the present time, Mr. Peirce.

CHAIRMAN PEIRCE: It meets with your approval, Mr. Kirkwood?

MR. KIRKWOOD: Yes.

CHAIRMAN PEIRCE: The minutes will stand approved as written.

I would like to now give recognition to the presence of Assemblyman Richard Hanna from Orange County. Mr. Hanna, we are very glad to have you with us, and feel perfectly free to participate in our discussion as we proceed.

Now, Mr. Hortig, will you select from the agenda some routine items which are strictly non-controversial which
we may consider while we are waiting for the Lieutenant Governor?

MR. HORTIG: Yes, Mr. Chairman. Refer to page 7, gentlemen, if you will, please.

It has been found that in the minutes of the meeting of October 8, 1957, relating to an authorization for sale, we need an amendment.

MR. KIRKWOOD: I move approval.

CHAIRMAN PEIRCE: All right. The recommendation of the staff with respect to the amendment is approved.

MR. HORTIG: Page 6. In 1946 the Commission authorized withdrawal from public sale of certain vacant State school lands containing approximately 15,000 acres in Imperial and San Diego Counties, based on the letter request from the Director of Natural Resources, relating to possible inclusion of these lands in Anza Desert State Park. The State Division of Beaches and Parks have now advised the Division that they are no longer interested in the acquisition of these specific lands and it is therefore recommended that these lands be restored to the public land sales list of the Commission.

MR. KIRKWOOD: So move.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. HORTIG: Page 31. The Commission has previously issued a standard geological survey permit to Western Offshore Drilling and Exploration Company for the conduct
of geological explorations from mobile marine equipment.

This permit expired before a renewal application could be filed and an application has now been filed requesting the issuance of a new permit by the Commission. The staff recommends such issuance.

MR. KIRKWOOD: Move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. HORTIG: Page 47 is a supplemental calendar item that you gentlemen have this morning on an application which was received too late for inclusion in the regular calendar but which requires Commission consideration this morning if the permit is to be extended as the prospecting permit would expire before the next Commission meeting.

All terms and conditions and requirements of the prospecting permit P.R.C. 1724 having been complied with, the permittee is desirous of attempting at this late date to develop an alternative mineral for production from the prospective permit, such permit extension as is being recommended may be granted at the discretion of the Commission for an additional period of one year. It is recommended by the staff that the Commission authorize the extension of the subject prospecting permit for one year, all other terms and conditions of the permit to remain unchanged and in full force and effect?

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.
MR. HORTIG: Page 38 and following to page 46; that the standard tabulization of documents issued and authorized by the executive officer pursuant to delegations of authority, the recommendation is that they be confirmed.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The actions of the executive officer are hereby approved.

MR. HORTIG: If the Chairman please, we could consider the non-controversial land sales items next.

CHAIRMAN PEIRCE: Proceed.

MR. SMITH: Page 24, the sale of vacant State school land. 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, and there follows a tabulation of three school land sales which are non-controversial.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. SMITH: Page 26, selection of vacant federal land. It is recommended that the Commission determine that it is to the advantage of the State to select the federal land containing 109.55 acres in San Bernardino County; that the Commission find that said land is not suitable for cultivation without artificial irrigation; that the Commission approve the selection and authorize the sale of said land,
for cash, to the Molybdenum Corporation of America at the
appraised price of $2,191, subject to all statutory
reservations including minerals.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. SMITH: Page 29. This is the selection of vacant
federal land where the applicant has cancelled and the
State has acquired the land. It is recommended that the
Commission determine that it is to the advantage of the
State to select the federal land embracing 40 acres, in-
cluding timber thereon, in Mendocino County; that the
Commission find that said land is not suitable for cultiva-
tion without artificial irrigation; that the Commission
approve the selection of said land and authorize the sale
thereof pursuant to the rules and regulations governing
the sale of vacant State school land.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. SMITH: Page 30. This is a similar selection of
vacant federal land. It is recommended that the Commission
determine that it is to the advantage of the State to
select the federal land, including timber thereon, compris-
ing 40 acres in Mendocino County; that the Commission find
that said land is not suitable for cultivation without
artificial irrigation; that the Commission approve the
selection of said land and authorize the sale thereof
pursuant to the rules and regulations governing the sale
of vacant State school land.

MR. KIRKWOOD: The value of timber went down; is that
why this recommendation is made?

MR. SMITH: Apparently so. It was appraised about
eight months ago and the applicant didn't wish to -- well,
it was appraised in 1956, that is approximately two years
ago, a year and a half ago, and the applicant did not wish
to meet that. I believe the timber market has changed
considerably since that time.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. FORTIG: Page 32, gentlemen.

MR. KIRKWOOD: Let me ask -- we have a minute, anyway
what happens on this exchange, does value enter into it
or just acreage?

MR. SMITH: Not on selections, indemnity selections
acreage only on exchanges, which is a different procedure.
Value is the important factor.

MR. KIRKWOOD: Here we don't lose anything by reason
of the value, we stand to gain instead?

MR. SMITH: Not at all. We gain considerably. Most
of these lands that we give up under these selections are
desert lands not worth more than $5.00 an acre.

MR. KIRKWOOD: Per acre?

MR. SMITH: Right.
MR. HORTIG: Page 32. The Commission is familiar with the service contracts which were previously entered into with the firm of Keplinger and Wanenmacher and Dr. Herman H. Kaveler as consultants. The contract terms provided for maximum payments for which costs incurred to date under the agreements now approximate the total amounts as provided for for these services.

Also, pursuant to prior Commission discussions, it appears desirable that the services provided for be augmented for the remainder of the fiscal year to: (1) complete a supplementary study relating to the adequacy of the Division's technical staffing in connection with oil and gas development, and (2) possibly to advise the Commission on oil and gas leasing procedures and the evaluation of lease bids which are to be received. These additional services are to be rendered between now and June 30, 1958.

It is recommended that the executive officer be authorized to issue agreements supplementary to those now in force to cover such additional services and to increase the maximum amounts payable under the aforementioned contracts by $3,000 each, to a total of $10,500 each. Further, that the agreements shall provide for progress payments to the contractors. All other terms and conditions of said agreements are to remain in full force and effect.
MR. KIRKWOOD: Will they be coming back to another meeting of the Commission and it is contemplated that their recommendations be submitted in writing?

MR. HORTIG: With respect to the staffing, it is contemplated that the final recommendations, if there are to be any further than have been submitted to you gentlemen, primarily can be done in writing unless the Commission specifically feels that a conference is desired.

The major probability for a returning to a meeting foreseeable would be in connection with the necessity of consulting advice in connection with bid evaluation and bids to be received by the Commission next month.

CHAIRMAN PEIRCE: Their services would be rendered, however, as of this fiscal year ending June 30th?

MR. HORTIG: If their services were necessary in the next fiscal year, a new contract would be required and would require advance approval of the Commission.

CHAIRMAN PEIRCE: Well, do I understand that this increase in the contract allowance is to cover both the advice with respect to staffing and also an evaluation of the bids?

MR. HORTIG: To the extent that such services can be rendered in this current fiscal year.

CHAIRMAN PEIRCE: Now, the bids are to be opened on June 27th?

MR. HORTIG: The 27th, yes, sir. So the probability
of much time being involved by the consultants under this contract is remote but it is still a possibility.

CHAIRMAN PEIRCE: In other words, the major task that our consultants would perform would relate to the staffing of the Commission?

MR. HORTIG: That would be correct, and in that connection, the amounts provided for here would certainly be maximum and probably will not be fully utilized for that purpose.

CHAIRMAN PEIRCE: In other words, we compensate them on a per diem basis plus traveling expenses?

MR. HORTIG: That is true.

CHAIRMAN PEIRCE: And the authorization in the amount indicated in the agenda of $10,500 is merely an authorization and a maximum?

MR. HORTIG: That is correct.

CHAIRMAN PEIRCE: And you will utilize whatever of that total you find necessary in connection with their further advice with respect to staffing?

MR. HORTIG: Yes, sir, and as sparingly as we can and still achieve the objective.

CHAIRMAN PEIRCE: All right.

MR. KIRKWOOD: What is contemplated, Frank, by way of additional information that would be pertinent to an evaluation?

MR. HORTIG: Principally only consulting, review and
agreement or disagreement on bases for possible rejection of bids, if we should receive bids for particular parcels in an area where the Commission should consider rejection.

MR. KIRKWOOD: Well, what I am wondering is whether their work actually should be done before the bids are received or something that should be done after they are received. Is there any reason to delay the evaluation? Can't they pretty much tell now or is there a balance between the bids that we would get on one tract or another that would affect the desirability —

MR. HORTIG: The latter factor could be such an important item that establishing the advance criteria might not serve any useful purpose.

MR. KIRKWOOD: I see.

CHAIRMAN PEIRCE: Is there anything before us with respect to employing the consultants beyond June 30th?

MR. HORTIG: No, sir. It is contemplated that if this eventuality can be foreseen that this would be an item for presentation to the Commission at the June meeting.

CHAIRMAN PEIRCE: Which could include a careful evaluation of the bids received?

MR. HORTIG: No, sir, not at the June meeting, if the normal Commission schedule, which is necessary for other reasons, that it be held prior to the 15th of June, bid evaluation would not be included at the June meeting.

CHAIRMAN PEIRCE: Now, I don't mean bid evaluation,
I mean arranging for these consultants to perform services after July 1st in connection with bid evaluation.

MR. HORTIG: To the extent that service requirements could be foreseen, this could be evaluated and recommended to the Commission at the June meeting.

Mr. Kirkwood had a question, I believe.

MR. KIRKWOOD: I was just going to ask, have we set the date of the June meeting?

MR. HORTIG: No, sir.

MR. KIRKWOOD: When are we meeting?

MR. HORTIG: Do I infer correctly that we have vacation following the primary election?

MR. KIRKWOOD: I don't know that I would describe it as a vacation --

MR. HANNA: A little bit of rest or relaxation wouldn't be out of place.

MR. KIRKWOOD: I am heading East for five days because my son is graduating from high school and I am going back there and then John and I both have this association of tax administrators for two or three days.

MR. HORTIG: Well, at the moment the staff has a scheduling problem.

MR. KIRKWOOD: You have been trying us out, is that it, or haven't you gotten to that point?

MR. HORTIG: Very informally, yes, sir.

CHAIRMAN PEIRCE: Do you think it would be convenient
to have a meeting of the State Lands Commission in the latter part of the week which begins on June 8th, which is Sunday?

MR. KIRKWOOD: The 12th or 13th?

MR. HORTIG: Yes, sir.

MR. KIRKWOOD: Yes. I was planning to hit San Diego not until Tuesday morning. We could come back up for a meeting on Wednesday afternoon.

MR. HORTIG: We will confirm with your secretaries.

CHAIRMAN PEIRCE: Yes, sir.

MR. KIRKWOOD: It almost has to be that week, doesn't it? I mean, the next week would get it late.

MR. HORTIG: It would be desirable. However, if this would be of assistance to the Commissioners, that meeting and that particular month we could make advance preparations so that a deferment of another week would not give us insurmountable problems, if you gentlemen would prefer. On the other hand, if you are to be in Southern California, it could be convenient then.

CHAIRMAN PEIRCE: Well, you will work it out?

MR. HORTIG: We will confirm, yes, sir.

MR. KIRKWOOD: Did you want a motion on these contracts for services?

MR. HORTIG: If you will, please.

MR. KIRKWOOD: I so move.

CHAIRMAN PEIRCE: The recommendation is approved.
MR. HORTIG: Page 33. The Legislature, by statutes of 1957, authorized a grant of tide and submerged lands to the City of Sausalito, subject to the condition that the grant area be surveyed by the State Lands Commission at a cost to the city. A service agreement to cover these survey costs, not to exceed the amount of $1,700 as estimated by the State Lands Commission Division has been drawn. It is satisfactory to the City of Sausalito and it is recommended that the executive officer be authorized to execute this service agreement on behalf of the State Lands Commission providing for the required surveying services, the payment to the State Lands Commission to be the Commission's actual costs not to exceed $1,000.

MR. KIRKWOOD: Move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. KIRKWOOD: Didn't we plat some lands up there not long ago?

MR. HORTIG: I recall that at the last meeting we had a similar survey plat but it was not with the City of Sausalito, though.

MR. KIRKWOOD: I was thinking of a couple of years ago.

MR. HORTIG: Yes, sir. There has been an additional grant by the Legislature now encompassing all tidelands within the city limits of Sausalito, hence a new survey is required.
MR. KIRKWOOD: Anything different about the subsidence deal?

MR. HORTIG: No, sir. The representatives of the City of Long Beach are here and we believe the items are non-controversial with the normal reservations on the part of the City of Long Beach with respect to withholding funds or deductions on the town lot project. The thing that is an extension though not different in connection with page 36, Mr. Kirkwood is that the Commission has heretofore been approving the town lot area project on a month-by-month basis pending submittal of more extensive information by the Long Beach Harbor Department which would permit an analysis of the feasibility of approving the project on a fiscal year basis, and material has now been received wherein the project can be recommended in its entirety for the balance of the fiscal year and will be reconsidered for the next fiscal year on a fiscal year rather than on a monthly basis.

MR. KIRKWOOD: 34 and 36?

MR. HORTIG: That is correct.

MR. KIRKWOOD: Okay. I move the approval.

CHAIRMAN PEIRCE: All right. Mr. Lingle, these recommendations meet with the approval of the City of Long Beach?

MR. LINGLE: They do.

CHAIRMAN PEIRCE: The recommendations on page 34 and
36 are approved.

MR. HORTIG: Page 1. Oil and gas lease renewal and extension P.R.C. 427.1 was issued pursuant to statutory authority in renewal and extension of an oil and gas lease issued originally in 1930 to the General Petroleum Corporation. Section 6827 of the Public Resources Code provides that the Commission may issue a new lease in exchange for any lease issued for a term of 20 years, or any renewal or extension thereof; such new lease shall be issued at the same royalty and upon the same terms and conditions as the lease for which it is exchanged, unless the Commission and the lessee shall otherwise agree, except that the term of such exchange lease shall be for a term of five years and for so long thereafter as oil or gas is produced in paying quantities, or lessee shall be conducting producing, drilling, deepening, repairing, re-drilling or other necessary lease or well maintenance operations on the leased land.

Pursuant to this provision of the statutes, the General Petroleum Corporation have requested that an exchange lease be issued to provide for a lease for so long as oil and gas is produced in paying quantities in order to permit an additional development now planned by the company but the additional lease term will be required in order to properly amortize and justify this additional development, and it is recommended that the Commission
authorize the issuance of a new lease in exchange for oil and gas lease extension and renewal P.R.C. 427.1 in accordance with the provisions of Section 6827 of the Public Resources Code, as requested by the General Petroleum Corporation. The new lease is to be for a term of five years and for so long thereafter as oil or gas is produced in paying quantities, or lessee shall be conducting, producing, drilling, deepening, repairing, redrilling or other necessary lease or well maintenance operations on the leased land, all other terms and conditions of the existing lease P.R.C. 427.1 to remain unchanged and in full force and effect.

MR. KIRKWOOD: What is the royalty on that?

MR. HORTIG: The royalty has been averaging below the twelve and a half per cent minimum, which is specified in the oil and gas lease extension and renewal, and there is a sliding scale for higher rates of production which have not been reached in the average.

MR. KIRKWOOD: And this is something that in one form or another is required under the existing lease? I mean, they are entitled to either the extension for ten-year periods or in the form indicated?

MR. HORTIG: That is correct.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. HORTIG: The item on page 2, gentlemen, identical
with the one just considered, is for a smaller adjoining lease, adjoining the one just considered, a lease which is also operated by the General Petroleum Corporation but which is held by Neil C. Needham and Bertha T. Needham as lessees.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. HORTIG: Page 3. State oil and gas lease P.R.C. 1466.1 was issued pursuant to competitive public bidding in 1955 to the Richfield Oil Corporation. This lease covers approximately 1,175 acres of tide and submerged land in the Rincon field, Ventura County.

The lessee, Richfield Oil Corporation, have requested that the terms of the lease be modified as provided for under Section 6873 of the Public Resources Code, which was adopted and amended in 1957, in order that the lessee may take advantage of the more flexible and operating development conditions specified.

MR. KIRKWOOD: Is this in reference to the use of structures?

MR. HORTIG: This is in reference to the use of structures and the use of mobile marine equipment, etcetera, the broadened operating bases now permitted under law which may also be included in any existing lease and which the Commission — the identical amendment the Commission has heretofore authorized for approximately
MR. KIRKWOOD: It doesn't affect the royalty?

MR. HORTIG: No, sir.

MR. KIRKWOOD: Jay, is that all right?

MR. SHAVELSON: Howard Golden has written an informal opinion and stated that it was okay and I agree with that conclusion.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. HORTIG: Page 4. The Commissioners, I believe, are particularly familiar with lease P.R.C. 186.1 to the extent that it is the lease that contains the one completed operating offshore island existing under State oil — California State oil and gas leases as operated by the Monterey Oil Company.

In connection with that island, as the Commissioners are aware, there is a small auxiliary wharf, landing wharf. The lessee now has under active consideration the initiation of a pilot water flood operation in the shallow producing zone for the purpose of reservoir pressure maintenance and to increase the ultimate recovery of oil and gas and, therefore, the lessee operator has requested Commission approval for the construction of an additional wharf, in accordance with submitted plans, adjoining the drilling island, which additional wharf is to be used to accommodate operating equipment and the water source wells required
for the proposed water flood operation. The operator has also applied to the U. S. Army Corps of Engineers for a permit to construct the proposed wharf at this location.

It is recommended that the Commission authorize the executive officer to approve the construction by the Monterey Oil Company of a wharf adjoining the drilling island located on oil and gas lease P.R.C. 1861, in accordance with the submitted plan, the proposed wharf to be used to accommodate operating equipment necessary to initiate a pilot water flood operation in the shallow producing zone, subject to the approval by the U. S. Army Corps of Engineers of the proposed wharf placement.

MR. KIRKWOOD: I move the approval.

CHAIRMAN PEIRCE: The recommendation is approved.

MR. KIRKWOOD: No subsidence has shown up yet?

MR. HORTIG: No, sir.

MR. KIRKWOOD: What is the production there? Ernie ought to know. How many barrels a day?

CHAIRMAN PEIRCE: What is the production from your Seal Peach island?

MR. PYLES: About 3,000 barrels a day.

CHAIRMAN PEIRCE: How many wells have you there?

MR. PYLES: 30.

CHAIRMAN PEIRCE: 30 wells from the island?

MR. PYLES: Yes.

CHAIRMAN PEIRCE: Mr. Hanna?
MR. HANNA: On this operating equipment that is going to be taken care of by this wharf, it presently is being operated on a sort of floating barge arrangement, isn't it?

MR. PYLES: No. We have no equipment.

MR. HANNA: You don't have any operating equipment out there now?

MR. PYLES: No.

MR. HORTIG: There is no operating equipment for this purpose at the island site currently. This is an expanded project, Mr. Hanna.

MR. HANNA: Yes.

CHAIRMAN PEIRCE: The next item?

MR. HORTIG: Page 5. With reference to the same lease just under discussion with respect to expanded wharf facilities, a request has been received from the Monterey Oil Company for deferment of drilling requirements under the lease until November 13, 1958. The deferment of these drilling requirements is desired in order to minimize the congestion that would occur on the drilling island if drilling operations were conducted during the time required for construction of the proposed wharf to be used in conjunction with the pilot water flood. During the term of the lease, the operator has completed and, as has been reported, is operating 30 wells in two producing zones.

It will probably be of interest to the Commission
that the lease requirements for successive drilling wells is that wells -- a new well be initiated not later than 30 days after the completion of a preceding well.

(Lieutenant Governor Harold J. Powers enters the hearing room.)

MR. HORTIG: At the request of Assemblyman Hanna, I will repeat the last statement.

The lease requires that a new well be initiated within 30 days after the completion of a preceding well. However, the operations by the current lessee have been so diligent, and in almost every instance succeeding wells have been initiated within 24 hours of the time of completion of the preceding well, that mathematical analyses of the amount of time which the lessee could have used but did not use as between drilling wells accumulates to a total of years at this point.

Therefore, under these circumstances the staff feels that for the purpose requested, a deferment of drilling requirements until November 13, 1958, is extremely reasonable.

LIEUTENANT GOVERNOR POWERS: Okay. Yes. I move approval.

CHAIRMAN PEIRCE: Moved and seconded. The recommendation is approved.

MR. HORTIG: Mr. Chairman, would you inquire whether Mr. Dills is present?
CHAIRMAN PEIRCE: We have on the agenda an item relating to vacant State school land on the Colorado River in which Assemblyman Clayton A. Dills expressed an interest several months ago, and at our meeting on October 8th we received testimony from a representative of the Department of Fish and Game to the effect that that department desires to have this land withheld from public sale, and I am now asking if Assemblyman Dills is present? If not, may we proceed, Mr. Hortig, in his absence? The meeting was scheduled for 9:30 and it is now 10:30.

MR. HORTIG: Yes, Mr. Chairman. For the record, Mr. Dills was informed specifically of the meeting, a consideration of the specific item, and was furnished an advance copy of the agenda item to be presented to the State Lands Commission.

CHAIRMAN PEIRCE: Will you present the agenda item, Mr. Hortig.

MR. HORTIG: Yes, sir. The Commission, at its meeting held on October 8th, adopted the following action in connection with the subject application and an application filed by the State Department of Fish and Game relating to the desired acquisition of certain vacant State school land adjoining the Colorado River in Imperial County.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the executive officer to refer back to the California Wild Life Conservation Board
for further study, the proposed acquisition by the
Department of Fish and Game, of 485.79 acres of vacant
State school land in Imperial County, with action on the
application of Mr. Clayton A. Dills, for the same land,
to be deferred until a definite conclusion is reached on
the application of the Department of Fish and Game, not
later than June 30, 1958. Any rights acquired by Mr.
Dills through the filing of the application are to be
retained by him during the period of the deferment.

An appraisal and inspection by a member of the
Commission's staff on February 13, 1958, established the
value of the land in question at $10,784.54. The appraisal
shows that the land is not suitable for cultivation without
artificial irrigation.

Another private purchase application has also
been received from Mr. C. E. Fye of Oceanside, California.

In accordance with the action adopted by the
Commission on October 8th, the Department of Fish and Game
has submitted additional data relating to the desirability
and importance of the subject land to development of the
area by the Department. The material submitted is attached
and by reference hereto made a part of this calendar item.
The Department's submittal indicates that it is in the
public interest that these lands be retained by the State.

Therefore, it is recommended that the 485.79
acres of land in section 36, Township 12 South, Range 21
East, San Bernardino Meridian, Imperial County, be sold to the State Department of Fish and Game at the appraised market value of $10,784.54 without competitive bidding, and subject to all statutory reservations, including minerals.

It is further recommended that the applications of Mr. Clayton A. Dills and Mr. C. E. Fye for the same lands respectively be rejected and that all deposits placed by said applicants be refunded.

CHAIRMAN PEIRCE: Mr. Everett E. Horn, Executive Officer of the California Wild Life Conservation Board, is present and is prepared to answer any questions which members of the Commission may desire to ask with respect to this particular tract of land which the Department of Fish and Game desires withheld from public sale and sold to that agency pursuant to action taken by the California Wild Life Conservation Board itself.

Do members of the Commission desire to ask Mr. Horn any questions?

LIEUTENANT GOVERNOR POWERS: Mr. Chairman, I was the one that raised the question the last time that there was too much land being taken off of the tax rolls and being kept off the tax rolls, and I thoroughly believe that we have too much government land in this State and too much off of the tax rolls and we should have more on. However, in this case I have read it through and I know that the
Commission, along with members of the Legislature, have recommended that they sell this land to the Fish and Game Commission.

I notice a motion was made by Assemblyman Lowrey, I believe, and seconded by Senator Johnson, or vice versa, so I have no objection to this particular transfer of land — purchase, rather, by the Beaches and Parks. However, I do think still that we should be a little careful in getting too much land off of the tax rolls.

We have a case here where the federal government is taking over a big lot of land just the other day and they are continually taking it and it is going to be a little rough when you take so much land off the tax rolls.

MR. HORTIG: May I suggest, Governor Powers, a technical correction. The land is to be acquired by the Fish and Game rather than Beaches and Parks.

LIEUTENANT GOVERNOR POWERS: Fish and Game, that's right. Well, even with them, we have cases with the Federal Fish and Game — I can show you the areas — where they have taken land that has served its purpose and they still keep it. The bad feature with all government agencies, the State included, is that whenever they get ahold of a piece of property, even though it has served its purpose, they never relinquish it.

It is necessary, and I assume that it is from the report as I read it here, so I am going to accept —
I mean, I have no objection to it.

CHAIRMAN PEIRCE: Any further questions?

MR. KIRKWOOD: I move the approval.

LIEUTENANT GOVERNOR POWERS: I will second it.

CHAIRMAN PEIRCE: All right. The motion is made and seconded that the recommendation of the staff with regard to the sale of this parcel of school land be made to the Department of Fish and Game and the recommendation is approved.

MR. HORTIG: There are no further agenda items before the Commission.

CHAIRMAN PEIRCE: Before we adjourn, is there anybody in the audience who desires to present any statement or information to the Commission?

Mr. Pyles?

MR. PYLES: Since you are talking about the Fish and Game Commission, I think the State Lands Commission would be interested in this bit of information: We were advised by them that they had numerous complaints from the sport fishing organizations regarding Monterey Island, and that the fishing just wasn't good at all, so the Fish and Game Commission sent their divers down and spent most of the day there in making an inspection and they tell us that that is probably one of the best fishing places along the coast of California.

MR. KIRKWOOD: Do you mean the island?
MR. PYLES: Not on the island, in and around the island, but this is the first time we have done anything about it. We were a little reluctant to take advantage of it because these sport fishermen, they will really go out in mobs if they know that they are as plentiful as they are, and it just adds to the problem, and at the moment we are going to let it set at that point and I thought you would be interested in knowing that it has, in the Fish and Game Commission's opinion, increased the fish to a large extent in that particular area.

CHAIRMAN PEIRCE: Thank you, Mr. Pyles. Does anyone else like to be heard?

(No audible response.)

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

(The hearing was adjourned at 10:30 a.m.)
CERTIFICATE OF REPORTER

STATE OF CALIFORNIA,  
County of Los Angeles.  

I, JOHN J. RABASA, Reporter for the State Lands Commission of the State of California, hereby certify that the foregoing is a full, true and correct transcript of the stenographic notes taken by me in this matter, on the date hereinbefore specified, and that the same is a full, true and correct record of the proceedings had in the same matter before the State Lands Commission of the State of California.

Dated at Los Angeles, California, on June 6, 1958.

[Signature]

Reported