TRANSCRIPT OF MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
July 23, 1961

PARTICIPANTS:

THE COMMISSION:
Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller
Hon. Daniel M. Luevano, Deputy Director of Finance,
acting on behalf of Hon. Hale Champion, Director
of Finance

Mr. F. J. Hortig, Executive Officer

APPEARANCES:
(In the order of their appearance)
Mr. K. M. Cook, Richfield Oil Corporation
Mr. Kenneth Sampson, Manager, Orange County
Harbor District
Mrs. Duncan Stewart, Member of Board,
Coastal Area Protective League
Mr. Allan Thode, Chief Appraiser,
U. S. Army Corps of Engineers, Sacramento
Mr. John H. Healy, Geophysicist,
U. S. Geological Survey

Reporter: Louise H. Lallico
Division of Administrative Procedure
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(In accordance with Calendar Summary)

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MR. CRANSTON: The meeting will please come to order.

I'd like to announce one change in schedule that will be brought to your attention formally, but just so you are aware of it now, the next meeting is Monday, August 28th, in Los Angeles. It will be at nine a.m. instead of ten o'clock. And the meeting of September 14th in Sacramento will be at nine thirty instead of ten. Then we meet October 26th in Los Angeles. I presume that will be ten; and November 30th in Sacramento again will be nine thirty a.m.

The first item on our agenda is election of the Chairman. This is a matter that comes up annually and nominations are in order.

MR. LUEVANO: Mr. Chairman I nominate Governor Anderson as Chairman of this Commission.

MR. CRANSTON: I am happy to second the motion.

Lieutenant Governor Anderson is unanimously, without his own vote, elected Chairman for the ensuing year.

I think we should also welcome the Deputy Director of Finance to our midst here.

MR. LUEVANO: Thank you.

GOV. ANDERSON: Item Number 2 .......

MR. HORTIG: Mr. Chairman, may I interrupt before your first action for the record to note that the Commission's records do have in the file designation from Director of Finance Hale Champion stating that Mr. Daniel Luevano, who is here with us this morning, is both designated and authorized to
act in his behalf as a member of the Lands Commission at such meetings as Mr. Champion cannot attend, as is the case this morning.

GOV. ANDERSON: The record will so note.

Next item is the confirmation of the minutes of the meetings of April 12, April 25, May 4 and May 25th. Is there a motion?

MR. CRANSTON: I move approval.

GOV. ANDERSON: It has been moved.....

MR. LUEVANO: I second.

GOV. ANDERSON: ... and seconded that they be approved; carried unanimously.

Item 3 is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute, and the first is Applicant (a) -- State of California, Department of Fish and Game -- 49-year permit for public boat-launching ramp near Tahoe City in Lake Tahoe; item (b) ..... Now, Mr. Hortig, if you wish to break in on any of these, go ahead. Otherwise, I will go ahead fairly fast.

MR. HORTIG: I can make a blanket announcement with respect to Classification 3 -- that all of the Attorney General's opinions, clearances by the Department of Natural Resources, comments by Small Craft Harbors Commission and any agency having any corollary interest have been received and all of these items are presented without objection or necessity for modification.

GOV. ANDERSON: Item (b) The United States Coast Guard---
applicant for 49-year permit for installation of water intake line extending 500 feet into Lake Tahoe, Placer County; item (c) City of Vallejo -- find that action specified in application will not interfere with use of lands for recreational purposes or protection of shore properties and authorize Executive Officer to issue permit for dredging 15,000 cubic yards of material from Mare Island Strait, Solano County; item (d) is State of California, Department of Water Resources -- amendment of permit to permit the use of additional area of tide and submerged lands of the Sacramento River west of Pittsburg, Contra Costa County, for purpose of expanding current-meter installations to sixteen units.

MR. CRANSTON: Mr. Chairman, I move approval of the item listed under Classification 3.

MR. LUEVANO: I second it.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 4 is permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission.

Applicant (a) is Charles F. Huffman, Jr -- a 5-year grazing lease, 160 acres school land in Del Norte County; annual rental $16; item (b) Ian I. McMillan and John P. Loftus -- a 5-year grazing lease of 200 acres school lands, San Luis Obispo County; annual rental $20; item (c) is M & R Services -- 15-year lease of 2.72 acres tide and submerged lands in New York Slough.
at Pittsburg, Contra Costa County, for maintenance and operation of existing wharf and related appurtenances; annual rental $2,700.96; item (d) Pacific Gas and Electric Company -- 49-year right-of-way easement for submarine cable crossing, 10-foot strip of land extending across Georgiana Slough, Sacramento County, containing 0.04 acre -- total rental $100; (e) Pacific Gas and Electric Company -- 49-year right-of-way easement for overhead wire crossing, 10-foot strip of land in bed of Feather River, Sutter County, containing 0.09 acre -- total rental $100; item (f) Pacific Lumber Company -- 20-year easement for erection of a bridge across submerged lands of the Eel River, Humboldt County, total rental $100; item (g) Pacific Telephone and Telegraph Company -- renewal for ten years of lease covering ten acres school lands, Inyo County, used as transmitter site; annual rental $150; item (h) River Enterprises, Inc. -- 15-year lease for construction of floating wharf and walkway, submerged lands in bed of Sacramento River, Sacramento County -- annual rental $150; item (i) Pittsburgh Plate Glass Company -- Assignment from Columbia-Southern Chemical Corporation of Mineral Extraction Leases, Owens Lake, Inyo County.

MR. HORTIG: Mr. Chairman, at this point, simply for the information of the Commission I would like to call attention to the fact that here are a series of leases in a dry lake, but inasmuch as they are used for mineral extraction in the salt beds in the dry lake, this is resulting in an income to the State of approximately $5,000 in royalties from the production in a
lake which has no water in it, which certainly sounds anomalous.

GOV. ANDERSON: Item (j) Franco Western Oil Company -- Assignment to McElroy Ranch Company of half interest in compensatory royalty agreement, Sutter and Colusa counties; item (k) S. A. Tanner -- Assignment to California Minerals Corporation of half interest in prospecting permits in Fresno and San Benito counties; item (l) Richfield Oil Corporation -- geophysical exploration permit from August 1, 1961 through January 31, 1962;

MR. CRANSTON: We have had a number of communications from Orange County, among them one of objection from Victor Andrews, Chairman of the Pacific Coast Protective League, indicating deep expressions of concern in connection with exploration by Richfield anywhere in areas which are presently protected by provisions of the Cunningham-Shell Act. They have asked that we turn down this permit; and Mr. Andrews asks if we feel that we cannot do that, that we grant a further time and set a further hearing on this application so the people from Orange County will have an opportunity to be heard. Apparently they did not find out about this -- at least some of them didn't, at least Mr. Andrews didn't -- until very close to the time of this hearing. In view of this very strong feeling that apparently exists in Orange County and also in view of the fact that I understand Richfield has ships ready to go, to start this work, standing by for action, and since part of their interest is not in controversy as far as I am informed at the present time, I would like to ask, first, if anybody from Richfield is here; and, secondly,
ask if they would object -- if they have any comments on the
suggestion I propose to make that we grant the request but ex-
clude from it the area in Orange County where the Shell-
Cunningham Act would apply; and hold a hearing at our next
session in Los Angeles, if that is Richfield's desire, on that
area. I wonder if Richfield would be willing to eliminate that
area totally or have a hearing in Los Angeles.

MR. COOK: We would prefer to have a hearing and
consider it at a later date.

MR. CRANSTON: Would you like to have approval on
the balance?

MR. COOK: OH, Yes.

GOV. ANDERSON: If Orange County didn't know what was
going on, wouldn't it be better to put the whole thing off to
the next meeting?

MR. CRANSTON: Much of this is where there is abso-
lutely no controversy -- where there is no objection.

GOV. ANDERSON: Mr. Hortig, would this be the only
area of discussion?

MR. HORTIG: This is the only area of controversy,
Mr. Chairman, because all affected counties and the City of
Santa Barbara were notified. Written statement of nonobjection
has been received from the City of Santa Barbara; telephonic
statement of nonobjection from the County of Santa Barbara; a
written statement of nonobjection from the County of San Diego;
and, traditionally for permits of this type for the last ten
years, for permits of this nature under the same terms and conditions, Los Angeles County and Ventura County have never filed an objection thereto. And, for the record, and this is the confusing element for the staff, between 1950 and 1960 sixteen identical permits have heretofore been issued for the offshore area of Orange County without objection, except in one qualified case by the county and that objection was that the county neither concurs nor objects to the permit. This was during the pendency of litigation over the tide and submerged lands. There is existent today and in operation a geophysical exploration permit of another permittee, previously issued by the Commission without objection by the county and covering the same area in Orange County. Therefore, it appears that possibly the matter can best be resolved by staff conference with the people who feel that there is a basis for objection, in order to clarify the facts and the record situation, and report back as to the Orange County situation at the next meeting.

However, under the circumstances of the desirability of such exploration continuing and the application being unobjectionable as to all the balance of the counties included within the application, it would be my recommendation that deferment only be made of Orange County and that the permit be granted at this time -- authorized at this time for the balance of the county areas.

MR. CRANSTON: In fact, all of Orange County need not be excluded. What would be the description of the area?
They aren't worried about the northern portion?

MR. HORNIG: Actually, anything south of the northerly limits of the City of Newport Beach to the southern boundary of Orange County apparently should eliminate the bases of objection which have been received from Orange County.

If I may add, Mr. Chairman, we have not had official communication from Orange County, but we read in Orange County newspapers that the Orange County Harbor Manager was directed and also possibly the County Counsel to appear at this meeting to present the position of Orange County; so it might be helpful if the Chairman called upon such representatives of Orange County to determine whether the type of exclusion I just suggested would be satisfactory to Orange County at this time or whether the entire county consideration should be deferred for one meeting.

GOV. ANDERSON: Is there anyone here representing Orange County?

MR. SAMPSON: Yes.

GOV. ANDERSON: Will you come forward and state your name and whom you represent.

MR. SAMPSON: My name is Kenneth Sampson. I am manager of the Orange County Harbor District and I am here at the instruction of the Board of Supervisors to file a resolution of the Board in support of the motion made by Mr. Cranston and explained by Mr. Hornig. We have no desire to hold up the Richfield Oil Company's application for the total of its
exploration. We merely request that the area that is protected from drilling by the Shell-Cunningham Act be excluded from the permit, and the fact of the matter is they even suggest that Richfield Oil Company be given an opportunity to amend its application so that -- but I think the Board would be completely happy with the suggestion of Mr. Cranston.

I also carry with me a letter from the City of Newport Beach, also in substance stating the same thing. It's actually a copy of a letter addressed to the Board of Supervisors, supporting the Board's action; and last night at a meeting of the Orange County Coast Association, represented by all of the cities and organizations of the Orange County coast, a resolution was adopted supporting the Board of Supervisors in this matter and requesting your consideration of the request of the Board. There was not sufficient time to prepare that resolution in writing and get it here, but it will be forthcoming to you in the mail later.

MR. CRANSTON: Mr. Chairman, it seems to me what we have here involved is a conflict between really those interested in two natural resources -- oil on the one hand and the beauty of our seashore and beaches on the other. Since there is strong feeling on the part of Orange County, even though past policy and records have indicated that permits such as this one have been granted, I feel they should be given a full opportunity to present their views to us. I, therefore, move that we approve Richfield's application, striking from it at this time.
approvals for exploration in that area between the northerly limits of the City of Newport Beach to the southern boundary of Orange County and indicate to the Richfield Oil Company that if they still wish to apply for a permit on that area that we will have a hearing at the next meeting.

MR. LUEVANO: I second the motion.

GOV. ANDERSON: You have heard the motion -- and this pertains to item (1) of Item 4. Any further discussion? Is there anyone else in the audience who wishes to comment on this subject?

MRS. DUNCAN STEWART: I am Mrs. Stewart. I am here on behalf of Mr. Andrews and just wish to support Mr. Sampson and the County and, of course, the Coastal Area Protective League that has been interested in this matter. This would meet with our approval.

GOV. ANDERSON: Now, it is my understanding this area from south of Newport, the south part of the County, would be placed for a hearing at a future date.

MR. HORTIG: Yes sir -- the next meeting in Los Angeles.

GOV. ANDERSON: It would be brought up at that time. Any further discussion? (No response) If not, it is carried unanimously. I think also you might make a motion at this time to approve items (a) through (k).

MR. HORTIG: Mr. Chairman, before that motion is placed, may we return to item (h), which in the body of the
main item indicated a recommendation of a 15-year lease with
two renewal periods of ten years each. Upon advice of the
Attorney General's Office this morning, there is doubt that
the Commission has the authority to include these renewal
periods and, therefore, it is recommended that the Commission's
authorization be restricted to the approval of a 15-year lease
without any specification of right to renew, and the resolution
therefore would be modified accordingly.

MR. CRANSTON: Which item does that refer to?

MR. HORTIG: (h).

MR. CRANSTON: I move approval of item (h), amended
as the Executive Officer has proposed.

MR. LUEVANO: I second that motion.

GOV. ANDERSON: It has been moved and seconded,
carried unanimously.

MR. CRANSTON: And I move approval of items (a)
through (g)........

GOV. ANDERSON: Through (k).

MR. CRANSTON: Excluding (h), and then (i), (j), and
(k).

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unani-
mously. We will move to item (n) -- Texaco Inc. One-year
pipeline right-of-way easement 7.12 acres tide and submerged
lands of the Pacific Ocean in Santa Barbara Channel, Santa
Barbara County, total rental of $100; item (n) Texaco Inc. --
15-year lease for maintenance and operation of submarine pipelines, 167 acres of tide and submerged lands on Estero Bay, San Luis Obispo County, for an annual rental of $2,432.19;

(c) is Texaco Inc. -- Geological survey permit from July 28, 1961 to January 27, 1962 inclusive for tide and submerged lands in the area lying between a line drawn due west from Point San Luis, San Luis Obispo County and the prolongation seaward of the northerly limits of the City of Newport Beach; San Luis Obispo, Santa Barbara, Ventura, Los Angeles, and Orange counties.

MR. CRANSTON: I move approval of items (m), (n), and (c).

MR. LUEVANO: I second that.

GOV. ANDERSON: Moved and seconded. Any comment?

(No response) Carried unanimously.

Item 5 -- City of Long Beach -- Approvals required pursuant to Chapter 29/56: Project (a) Pier E -- Additional fills; estimated subproject expenditures from July 28, 1961 to termination of $322,000, with 100 per cent estimated as subsidence costs.

MR. HORTIG: Mr. Chairman, this item is subject in the recommendation to the standard reservations which the Commission has specified for advance approval of projects in which specific and precise costs cannot be determined in advance, in that the amounts to be allowed, if any, under the approval -- if given by the Commission -- the amounts to be allowed ultimately as subsidence costs deductible under the Statutes of
1956, Chapter 29, will be determined by the Commission upon an engineering review and final audit subsequent to the time these items are completed.

GOV. ANDERSON: Any comment?

MR. CRANSTON: I move.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 6, I understand, has been taken from the calendar.

MR. HORTIG: Yes sir.

GOV. ANDERSON: Item 7 -- Proposed purchase of Federal lands from the United States under the exchange procedure; forty acres in Trinity County to be exchanged for seventy acres of equal value in Trinity County; and the applicant, Mildred J. Vodjansky, will have rights as first applicant when lands are sold under the school land sale procedure.

MR. HORTIG: In other words, these lands would be offered for sale on competitive public bidding, with the minimum bid to be necessarily equal to or greater than the appraised value of the land, and the consideration of whether to convey these lands pursuant to such bid would be considered by the Commission at a later meeting after bids have been received.

MR. LUEVANO: I move approval.

MR. CRANSTON: Second.
GOV. ANDERSON: Carried unanimously.

Item 8, I understand that that has also been taken off at the request of Senator Regan. Is that the one?

MR. HORTIG: The situation, Mr. Chairman, that I have to report and the recommendation to make are that Mr. Regan, as attorney for the applicant, is unable to be at this meeting today and it was suggested that alternatively protestants might be heard and written rebuttal be received, but it was recommended to him that it would be preferable and would be recommended to the Commission to consider deferral of consideration of this item to the meeting of September 14th, being the next meeting scheduled for Sacramento, in view of the fact that both the majority of the protestants and defendants, if they can be so classified, are located in northern California.

MR. CRANSTON: Mr. Chairman, I move the matter go over to September 14th.

MR. LUEVANO: Second.

GOV. ANDERSON: It has been moved and seconded. Is there anyone here that wishes to comment on Item 8?

MR. HORTIG: All persons who previously indicated an interest were informed of the recommendation to defer.

GOV. ANDERSON: Then the motion that this be deferred to the meeting of September 14th is carried unanimously.

Item 9 is the adoption of regulations amending Section 2100 of Title 2 of the California Administrative Code pertaining to geophysical and geological survey permits.
MR. HORTIG: Mr. Chairman, as the Commissioners will well recall, I am sure, on May 4, 1961 emergency regulations were adopted amending Section 2100 of Title 2 of the Administrative Code, which emergency regulations by the process of following the procedures prescribed in the California Administrative Code have now become the permanent regulations of the Commission with respect to the conduct of geological exploration operations. The Commission, however, did specify that in the interim and by a target date of July 6, 1961 interested persons might present statements or contentions in writing relating to the rules adopted.

Two written statements were so received, one on behalf of Richfield Oil Corporation, the other from Texaco Inc., which are appended to this calendar as exhibits (a) and (b). The staff, having reviewed the proposed amendments, offers the comments for consideration by the Commission that the amendment proposed by Richfield Oil Corporation does not appear to be administratively practicable and that a portion of the amendments proposed by Texaco Inc. appear to be desirable in providing clarification without substantive change in the emergency rules and regulations as previously adopted by the Commission.

Therefore, it is recommended that the Commission resolve as stated in the resolution, in compliance with the California Administrative Code, as to certification of the emergency regulations, which would complete the procedural
requirements for having these rules and regulations the perman-
ent rules and regulations of the Commission; and, additionally,
having considered the presentations submitted by Richfield Oil
Corporation and Texaco, Inc., adopt an amendment to Section
2100(h)(2) -- which, as it is stated in the recommendation on
your agenda, is incomplete in that the intent of the amendment
was that only the first sentence of 2100(h)(2) would be amended
as here indicated, and amplified as here indicated, but that the
original section sentence in the emergency rule would also be
retained, reading: "The State Lands Division inspector shall
have access to this equipment at all times." This was an inad-
vertent omission and there have been no discussions or objection
thereeto, and it was not the intent to omit the sentence -- but
it was omitted in the resolution as here written, and, therefore,
in the staff recommendation should be added to the form of the
amendment of Section 2100 (h) (2).

Additionally, it is recommended the Executive Officer
be authorized to perform the procedural requirements necessary
with respect to certification and filing of the rules and regu-
lations and amendments as discussed herein.

Representatives of Richfield are here today and there
may be of Texaco, the organizations which submitted suggestions.
You might wish to call on them for comment with respect to the
staff recommendation this morning.

GOV. ANDERSON: Is there anyone here from Richfield
or Texaco or any of the other companies, who wish to comment on
the recommendations of the staff on this item? Any objections?
(No response)

MR. CRANSTON: Mr. Chairman, I move approval of the
recommendation.

MR. LUEVANO: I second.

GOV. ANDERSON: It has been moved and seconded,
carried unanimously.

Item 10 is authorization for the Executive Officer
to notify City Council of City of Half Moon Bay, San Mateo
County, that pursuant to provisions of Section 35313.1 of the
Government Code present value of State-owned tide and submerged
lands proposed to be annexed under City Council Resolution
21-61 is $3,321,000.

MR. CRANSTON: Move approval.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 11 -- Authorization for Executive Officer to
execute service agreement with City of Emeryville, Alameda
County, to provide surveying services, pursuant to Section 6359
of the Public Resources Code, in connection with tidelands and
submerged lands granted under Chapter 921/59, which is an amend-
ment of Chapter 515/19, at the Commission's actual costs not to
exceed $7,000.

MR. CRANSTON: Move approval.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.
Item 12 -- Authorization of the Executive Officer to approve and have recorded Sheets 1 and 2 of 2 of maps entitled "Map of the Grant to the City of Richmond," dated February to April 1960, pursuant to Chapter 1336/59.

MR. HORTIG: These, Mr. Chairman, are the record of a survey completed pursuant to a service contract identical in form to the preceding one authorized to be entered into with the City of Emeryville, covering tidelands granted by the Legislature with the requirement that the lands be surveyed by the State Lands Commission -- surveyed, recorded and platted. We are at the point in connection with the Richmond grant of being in the position of having completed the surveying and platting, of requiring authorization to record in order to discharge the last duty under the service contract.

MR. LUEVANO: I move approval.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously. Item 13 -- Authorization for Executive Officer to inform Boddum Construction Company, Inc. that offer of royalty payment of five cents per cubic yard on estimated 4500 cubic yards of material removed from tidelands in vicinity of Mandalay Beach, Ventura County, will be accepted in settlement of the claim for material removed from State lands heretofore without authorization.

MR. HORTIG: In connection with a subdivision construction project in which material was rearranged on the beach,
the contractor conducting the operations apparently in good
faith, as nearly as our investigation can determine and without
specific knowledge of the location of the ordinary high water
mark also, scooped up 4500 cubic feet of sand seaward of Mandalay
Beach and used it in the project. This was a one-time operation
and no further approval is needed.

It is recommended that, in view of the operation ap-
parently having been carried on without specific knowledge that
a trespass was being committed on State lands, the claim against
this contractor for the removed material be settled on the basis
of a royalty payment of five cents per cubic yard for the amount
of material previously removed.

MR. CRANSTON: I move approval.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 14 -- Authorization for Executive Officer to
enter into agreement for reproduction services for the 1961-62
fiscal year with Allied Blue Print & Supply Company of Los
Angeles, at a cost not to exceed $7500.

MR. HORTIG: For the benefit of Director Luevano, our
agency has only the desk type of reproduction equipment. We
do not have large scale reproduction equipment for maps, charts,
diagrams, and so forth, as larger drafting agencies such as the
Division of Highways do have, and it has been the standard prac-
tice to engage the services of a blue print company for this
operation on an annual contract basis, the contract being issued
to the lowest bidder, Allied Blue Print & Supply Company were
the lowest bidder for this year.

MR. LUEVANO: I move approval.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously

Item 15 -- Confirmation of transactions consummated
by the Executive Officer, pursuant to authority confirmed by
the Commission at its meeting on October 5, 1959.

MR. HORTIG: The transactions reported on pages 43
through 45, as the Commissioners will see, were definitely in
the category of routine -- representing assignment of existing
leases and acceptance of quitclams with respect to leases
terminated prior to their normal expiration date. Confirmation
of these actions is recommended.

MR. CRANSTON: Move approval.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded, carried unani-
mously.

Item 16 -- Authorization for Executive Officer to
inform Office of the Attorney General concurring in recommenda-
tion that no appeal be taken from the decision of the trial
court in the matter of State v. Coronado Beach, Inc., San Diego
County Superior Court Case No. 251089.

MR. HORTIG: On October 27, 1960 the Commission had
authorized the Executive Officer to take all necessary action
in cooperation with the Attorney General's Office to affirm or
determine the State's sovereign ownership of lands which were
felt to be artificially accreted waterward of the ordinary high
water mark on the ocean side of Silver Strand in San Diego
County.

The Attorney General's Office did bring action against
Coronado Beach Inc., the upland owner, and the matter went to
trial. In the trial both litigants relied substantially on the
opinion of expert witnesses. The judge personally viewed the
premises, and the report of the Attorney General's Office is
that the experts were in conflict -- experts for the State
stated that the accreted lands were formed artificially; the
defendant's experts testified that they were formed naturally.
The decision of the trial court was in favor of the defendant,
Coronado Beach, Inc.

Motion for new trial was made, argued, and denied;
and we have a written report from the Office of the Attorney
General that it is the opinion of the Office of the Attorney
General that the judgment is supported by substantial evidence
that no error adverse to the State occurred during the trial,
and accordingly no merit can be urged in support of appellate
review -- that therefore it is recommended no appeal should be
taken.

The Lands Commission being the client in this action,
the Attorney General's Office desires concurrence by the Lands
Commission in this recommendation that no appeal be taken in
this action and that the judgment be permitted to become final.
MR. CRANSTON: I move no appeal be taken.

MR. LUEVANO: Second.

GOV. ANDERSON: Moved and seconded. Any further comments? (No response) If not, carried unanimously.

Item 17 -- Informative only, no Commission action required -- report on status of major litigation.

MR. HORTIG: This being a report on the balance of the major items of litigation in which the Commission is the client, in addition to the Coronado Beach Inc. problem, of which you have just disposed.

GOV. ANDERSON: No further comments on these?

MR. HORTIG: No sir.

GOV. ANDERSON: Passing on to Item 18 -- which is confirmation of the date and time of the August Commission meeting to be held in Los Angeles. I believe that's the one you set at nine o'clock, is that it? What was the date on that?

MR. CRANSTON: 28th.

MR. HORTIG: August 28th, a month from today.

GOV. ANDERSON: The next meeting of the Commission will be August the 28th at nine a.m. at Los Angeles. If there is no objection, it is so ordered.

Then, the supplemental item is the underwater explosion tests by the United States of America. Mr. Hortig, do you wish to comment on that?

MR. HORTIG: The Corps of Engineers, U. S. Army, have requested authorization from the State Lands Commission for approval of
the conduct of a series of underwater explosion tests for national defense purposes, because these tests would by the nature of the desired location be conducted on State submerged lands. The State Department of Fish and Game are also considering this application for the tests and will assure maximum feasible protection of marine life.

From the data which have been furnished with the application, the staff of the Commission is confident that there can be no structural damage to either installations onshore or offshore by reason of the limitations, safety precautions, and so forth which will be involved in the tests. Complete safety precautions will be maintained by the United States Government and under the proposed authorization the United States Government, its agencies and its contractors would be liable for and agree to indemnify the State against any loss, damage, claim, or action caused by or arising out of the detonations -- all of which it appears cannot occur in the first instance; and, therefore, it is recommended that the Executive Officer be authorized to issue to the United States of America a permit to conduct a series of underwater detonations on State submerged lands as specified, commencing August 21 and ending on or before December 31, 1961, with the proviso that complete safety precautions are to be maintained by the United States Government, its agencies and its contractors; that the United States Government, its agencies and its contractors shall be liable for and agree to indemnify the State.
against any loss, damage, claim, demand or action caused by or arising out of or connected with the detonations; and it is recommended that this permit be issued at no monetary fee, the consideration to be the interests of national defense.

MR. CRANSTON: I move approval.

MR. LUEVANO: May I ask a question?

GOV. ANDERSON: Yes. I want to ask a question, too. These two 25-mile circles, radius of Pasadena and Berkeley. Taking Berkeley area, would that mean upstream, for example?

MR. HORTIG: No sir. The proposed locations are plotted here on the map, Governor. There are three locations within the 25-mile circle. Here is San Francisco (indicating on diagram)

GOV. ANDERSON: They are out in the ocean, then. Now, these would be the only sites?

MR. HORTIG: That's correct -- within the 25-mile circle.

GOV. ANDERSON: Does this permit give them the right to do more than just these sites?

MR. HORTIG: They could, but they would report prior to the time they did.

GOV. ANDERSON: If they wanted to go up further, they would report back to us?

MR. HORTIG: Yes sir.

GOV. ANDERSON: The one in Santa Monica -- where would that be? (Mr. Hortig indicated on diagram) Is there
only one blast site there?

MR. HORTIG: Only one proposed site at the northerly end and offshore, with explosive charges held to a magnitude that there can be no structural damage.

Mr. Chairman, I should like to report that a representative of the United States Army Corps of Engineers is here today for the specific purpose of amplifying and replying to any questions the Commission might have. Frankly, the staff felt that there being security items involved, among other things, in an operation of this type, that a minimal presentation should be made to the Commission and perhaps a representative of the United States of America, who knows what is cleared for security and is not, would be here -- and we have so provided for any further questions you would like to have answered on this project.

GOV. ANDERSON: I would be a little interested to know what the extent of the detonation would be; in other words, how audible it would be.

MR. HORTIG: If you would call on Mr. Allan Thode, who is here for the U. S. Army Corps of Engineers, Sacramento, and Mr. Healy, Geophysicist for the United States Geological Survey ....

GOV. ANDERSON: Are these gentlemen here?

MR. HORTIG: They are here. They can give you the information without violating security.

GOV. ANDERSON: They know what they can tell us and
what they can't tell us. My concern is when these go off and we are contacted, who gave us permission and so on.

MR. THODE: Mr. Chairman, my name is Allan Thode. I am with the Real Estate Division of the Corps of Engineers, and this is Mr. Healy of the United States Geological Survey. The magnitude of these explosions, I understand, is to be 6,000 tons of explosive and then nuclear underwater.

GOV. ANDERSON: This could give, then, a pretty good shock in the area?

MR. HEALY: We have had a little experience with this in the vicinity of Mono Lake several years ago, where we fired a 6,000-pound charge in the Lake and it was not felt by anyone in the City of Leevining, about three miles away from the place where we detonated the charge. The only way we knew we had made the charge was by the instruments.

GOV. ANDERSON: Are there any sonic effects?

MR. HEALY: By containing the explosion under the water it should eliminate all sonic effects and the radius of the places where it could be detected would be quite small I should say a mile and a quarter to three miles.

GOV. ANDERSON: You wouldn't expect we would receive too much reaction from Santa Monica?

MR. HEALY: We would expect the only ones who would realize it would be the fishermen in the area.

MR. THODE: (In response to question by Mr. Luciano, which was inaudible to reporter) All safety precautions will
be taken that are deemed necessary.

MR. LUEVANO: And those have been done in other coastal locations?

MR. THODE: The United States Government conducted some tests last weekend in the Southern California area and the control body of the Department of Fish and Game was within a half mile radius of the place, which is similar to the one proposed here, and everything went off as anticipated.

GOV. ANDERSON: Any further questions? (No response) I am satisfied. It has been moved and seconded we carry out the recommendations of the Executive Officer and carried unanimously.

Any further items, Mr. Hortig?

MR. HORTIG: No sir.

GOV. ANDERSON: Anything further to be brought up by anyone? If not, we stand adjourned.

ADJOURNED APPROX. 11:15 a.m.
CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, hereby certify that the foregoing twenty-seven pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Sacramento, California, on July 28, 1961.

Dated: Sacramento, California, August 1, 1961.

[Signature]

DIVISION OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA