TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA
March 29, 1962

PARTICIPANTS:

THE COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller

(Hon. Hale Champion absent)

Mr. F. J. Hortig, Executive Officer
Mr. Alan Sleroty, Administrative Assistant
to Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. Gordon D. Tandy, Assistant Contract Supervisor
Pacific Gas and Electric Company

Mr. John Sanbrook, Assistant County Counsel
County of Santa Cruz

Mr. Vincent D. Locatelli, Member of Board of
Supervisors, County of Santa Cruz

Mr. R. W. Armstrong, Land Supervisor,
Standard Oil Company of California

Mr. J. Kerwin Rooney, Port Attorney, Board
of Port Commissioners, City of Oakland

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GOV. ANDERSON: The meeting of the State Lands Commission will come to order. The first item is confirmaticm of minutes of meeting of January 22, 1962.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Seconded, and carried unanimously.

For the record, we might note that Controller Cranston and Lieutenant Governor Anderson are present and constitute a quorum.

MR. CRANSTON: Glenn, the Director of Finance is unavoidably absent because of budget problems up in Sacramento.

GOV. ANDERSON: Item 2 is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute. The consideration is the public benefit.

First applicant is the Estero Municipal Improvement District -- a permit to dredge State sovereign lands in Belmont Slough, San Mateo County, and deposit spoils on adjacent State lands; a 49-year life of structure permit for sanitary and recreational facilities, all in connection with development of a public park. Mr. Hortig?

MR. HORTIG: Mr. Chairman, in addition to this specific application for a limited area project, I believe it would be of interest to the Commission to know that this is one of the elements in a large scale development of an area known as Frewer Island, which will be filled substantially by means of fill material obtained from the dredging of San Bruno.
Shoals, for which purpose a lease has heretofore been issued by the Lands Commission pursuant to competitive public bidding, to the same applicant here involved. In terms of the larger project there will be royalty revenues to the State of California for the filled project. There are no royalty revenues in connection with the application on file here this morning and the material will simply be relocated, not removed from the general area, and the area filled will be operated as a public park.

GOV. ANDERSON: What city is this adjacent to?

MR. HORTIG: Nearest to San Bruno and San Mateo on the Bay shore.

GOV. ANDERSON: Now, I am not objecting to this particular application but I'd like to get a little information as to the over-all picture. Quite often when I am in the Bay area people ask me "Is there an over-all plan for development in the Bay area?" and I am at a loss to be able to explain, because I understand there is not an over-all plan -- we are doing this on a piecemeal basis. Now, has the State Lands Commission ever attempted to come up with any kind of guide or plan, or are we going to do this on the same basis in the future?

MR. HORTIG: Mr. Chairman, the policy elements are, starting with the first essential that you have already commented on, that there is not now an over-all plan for development of lands in San Francisco Bay. There are a multiplicity
of plans representing the desires and programs primarily of
the city and county planning commissions, which cities and
counties front on San Francisco Bay. There are several regional
councils who meet and discuss their common problems; but, inso-
far as the application of a plan to a particular area, this to
date is still in accordance with the wishes of the local com-
munities and local planning agencies, and so forth.

The difficulty of State Lands coming up with a co-
ordinated plan for the San Francisco Bay area stems primarily
from the fact that extensive areas of tide and submerged lands
were sold by the State into private ownership many years ago,
particularly circa 1870. Additionally, many of the munici-
palities, and certainly all of the leading municipalities,
fronting on San Francisco Bay have received grants in trust of
their tide and submerged lands within their city limits on
San Francisco Bay; so these lands are no longer under the
jurisdiction of the State Lands Commission. Again, then,
each municipality that has such a tideland trust grant is pro-
ceeding currently for the most part on plans which are con-
sidered desirable for that particular municipality.

GOV. ANDERSON: Now, have we ever taken these plans
as the city and county planning agencies have lined them out
have we ever taken them and put them in an over-all prospectus
so we can see where they are going?

MR. HORTIG: No sir, we have not. The State Office
of Planning of the Department of Finance has made a tentative
analysis of that, which we have reviewed and commented on
insofar as lands under the jurisdiction of the State Lands Com-
mission; but by far the greater percentage of the area that is
under consideration for current development in San Francisco
Bay is involved in or within the scope of one of these indi-
vidualized plans by a particular locality for their own means
and without coordination.

GOV. ANDERSON: About a year or so ago when we were
looking for a site for the university, remember, there was
some comment or suggestion of filling in some of the low lands
in the south end of the Bay because this is State property.
The suggestion of this and the publicity received made me at
least evolve a lot of questions: Do you have a State program
What does the State own? What is the plan? What does the
city and county own? Do you have any over-all plan for the
Bay area?

Maybe this is not a subject for State Lands, but it
seems to me we are involved in this and if we aren't the ones
to put this together in some sort of a planned program, maybe
it's the Department of Finance or maybe it is a regional
agency, if it is not set up yet. It seems to me there should
be some answer when people ask "What is your ultimate objec-
tive? Are you going to fill in these lands -- what is your
ultimate objective?" and we have to say "There is no plan."

MR. HORTIG: Mr. Chairman, after my negative report
I am happy to report on at least two affirmative factors in
connection with what you have just commented on.

First, as a result of an inquiry by the Legislature several years ago the Lands Division did prepare a complete map showing jurisdiction, general title distribution, location of grants in the San Francisco Bay area; and I believe for your records currently we should probably send to you another copy of that report to the Legislature, which highlights the fact that of the desirable lands -- those desirable from the standpoint of development purposes other than navigation -- the majority are lands which are no longer under the jurisdiction of the State Lands Commission.

However, even with a minority under the jurisdiction of the Lands Commission, the staff has been aware of the need for and the desirability of joint operations, with the result that with every regional council, coordinating plan or planning group who have expressed any interest in the possibility of developing a coordinated plan for San Francisco Bay we are on record with those organizations as wishing to cooperate, to contribute the records and the experience of the Commission to their deliberations in developing a coordinated plan. However, no coordinated plan has yet been developed.

GOV. ANDERSON: Do you think that the State Lands Division or Commission should take leadership in trying to bring about a coordinated plan; or do you think someone else is responsible, some other agency?

MR. HORTIG: Mr. Chairman, might I suggest that a
directive to the staff to analyze just this question and re-
port to the Commission I believe would be desirable. We have,
of course, approached it up to now from the standpoint that
the Lands Commission, having the minority interest, was not
necessarily the agency to take the lead in this program. How-
ever, this does not absolutely have to be the case and we are
not aware of any study that has been undertaken heretofore to
determine who in State govern-ment might properly take the lead.
If the staff were to undertake the study of this question and
report to the Commission, some significant factors might be
developed and at least it could be determined whether or not
the Commission should go forward or continue to cooperate with
whoever wishes to be cooperated with in the San Francisco Bay
area.

GOV. ANDERSON: I think this should be done. I sit
on a couple of other boards that have responsibility in the
Bay area -- for example, the Toll Bridge Authority -- and just
not too long back we had quite a discussion there on the
bridges we were building because it didn't add to the esthetic
value of the San Francisco Bay area. The question arose:
"Is there any standard for esthetics in the area?" Again,
whose responsibility is this? Is it the Department of Public
Works', the State Lands Commission's, or the agencies' involved
in the Bay area? I think there should be such a study.

Would it be all right if it were understood a motion
were passed to have our staff analyze this and report it back
MR. CRANSTON: It certainly would. You will recall this is something we discussed, Frank, some time ago and you did prepare some report.

MR. HORTIG: At the time, for the benefit of the Chairman, there was a possible proposed specific plan for the entire Bay that was being reviewed, which plan has since, practically speaking, been shelved and therefore there is no basis for further consideration because of the objections that were developed by bodies having authority, notably the Army Corps of Engineers, with respect to navigation interests and so forth.

I do concur this can well be the take-off point for a current study of the current situation. We do know there are other new studies over and above those previously considered underway right now and the status of these ......

GOV. ANDERSON: By whom?

MR. HORTIG: University of California and U. S. Army Corps of Engineers are two that come to mind immediately. How these would coordinate and how comprehensive they are and how they would coordinate with a plan in which the Lands Commission could take a lead, this report would cover.

GOV. ANDERSON: I am aware of the university one because I am a member of that. The discussion on that was protection, retaining the beauty of the Bay, and entirely different from the things we are voting on here.
MR. CRANSTON: Let's have such a staff report and study.

GOV. ANDERSON: It has been moved and seconded, unanimously carried, that our staff make a study and analysis of this and report back to us at a subsequent meeting; and I am not making any question of this item (a).

We will move on to item (b). Item (b) -- City of Stockton, 49-year life-of-structure permit, 0.017 acre submerged land in San Joaquin River, San Joaquin County, for tide recording gauge.

MR. CRANSTON: I move approval of Item Classification 2.

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

Item 3 is permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission. The first applicant is R. W. Cypher -- six two-year prospecting permits, each for one hundred sixty acres proprietary land in Imperial County, for geothermal steam, mineral waters and all minerals other than oil and hydrocarbon gases, at standard royalty rates.

MR. HORTIG: Mr. Chairman, I might amplify on the standard royalty rates because there are six prospecting permits of the same type already in existence and held by the same applicant. The standard royalty rate herein referred to today is that the royalty rate in connection with the
development and utilization of geothermal steam would be the same rate as that which the Commission has approved previously for the other pre-existing prospecting permits.

The permits sought here today are part of a large scale regional exploration and development program to determine the ultimate possibilities of developing for southern California a new source of energy, geothermal steam, which is known academically to exist in the Salton Sea area -- the southeastern Salton Sea area in Imperial County -- but which has never heretofore been put to practical commercial utilization.

GOV. ANDERSON: Applicant (b) is Pacific Gas and Electric Company -- a 49-year right-of-way easement on half an acre of submerged land of Old River, San Joaquin and Contra Costa counties, for overhead pole line, total rental $463.98.

Is applicant (c) off calendar?

MR. HORTIG: Mr. Chairman, in view of the receipt by staff of a request for deferment of consideration of item (c), Pacific Gas and Electric Company application for a 15-year easement over submerged lands of the southerly arm of San Francisco Bay, pending further planning review, it is recommended that the Commission defer action of this item at this time. Also, Mr. Chairman, Mr. Tandy representing Pacific Gas and Electric Company desires to be heard in connection with this request for deferment of consideration.

GOV. ANDERSON: Mr. Tandy, Pacific Gas and Electric Company?
MR. TANDY: My name is Gordon Tandy, representing Pacific Gas and Electric Company. Gentlemen, it is becoming increasingly important that we bring additional service into the San Francisco Bay area and particularly the Peninsula and San Francisco area. We are attempting to do this through transmission lines, which actually is item (c), which would cross the San Francisco Bay and then go into a substation in the Peninsula area.

GOV. ANDERSON: Is this at the Dumbarton Bridge?

MR. TANDY: Yes sir. We have had several delays and I would like to respectfully request that if at all possible consideration be given to this. However, if you cannot or feel you shouldn't, may I ask why it is being deferred at this time as we are anxious to go ahead with the service.

GOV. ANDERSON: Mr. Sieroty.

MR. SIEROTY: Yes. I requested the delay in considering this matter for these reasons: There is considerable attention being given today, I believe, in California as to the desirability of trying to preserve our environmental beauty and trying to see whether there aren't possibilities of putting utility lines underground, under water, or in some other way to see whether we cannot accomplish both the utility function and also the beauty function.

Now, as we develop the San Francisco Bay area, we continue to put transmission lines across the Bay, we are going to have a series of power lines. We don't know what your
company's plans are. We'd like to know that for the future. We'd like to see if there is any possibility of tying these lines into the bridge; we'd like to find out what the possibilities are of putting this line on the bottom of the Bay; we'd like to know what the chances are of running this line, instead of across the Bay, down to the south end of the Bay; we'd like to know about the advisability of moving the proposed line to the south of the bridge an additional mile or so, because we have found in the design of the new San Mateo-Hayward bridge that the power lines present additional problems in the design of the bridge. Some day we are going to have to redesign the Dumbarton bridge, although there are no plans at this time for this, and we want at that time to have no interference from the transmission lines.

These are things we want to study. We want your cooperation in doing it. That's why the matter was asked to be put off calendar today.

MR. TANDY: Will we receive a request from the State Lands Commission to answer these questions? ....

MR. SIEROTY: I think we could....

MR. TANDY: ... to work with you on these questions? I might comment on a couple of them. As you may be aware, we went through public hearings with San Mateo County in obtaining the land use permits for the construction of these lines in the county. We studied the site and we actually studied alternate sites initially suggested by the San Mateo planning
staff. However, in the second hearing this request was withdrawn, partly due to their continued studies and also our answers to their questions.

We had initially proposed on this line to locate it south of the Dumbarton bridge. However, it would be interfering with or in conflict with the Dumbarton bridge, so we have moved it and proposed to construct it just north of the bridge.

I might add that this is bundle conductor construction. In effect, what this is, it is one line on your bundle conductor. It would take two ordinary lines to carry the voltage that would be carried over the one bundle conductor line.

In effect, what you are doing -- you are doubling up your lines. This probably would be the first bundle conductor line or facility constructed in our system.

We don't anticipate at the time extending any more lines across. We feel this should serve from the east bay direction, should serve about the ultimate and possible future source of supply.

GOV. ANDERSON: Is this in addition to the lines that are already there?

MR. TANDY: Yes sir.

GOV. ANDERSON: Using the same towers and things?

MR. TANDY: There are no lines now just adjacent to the Dumbarton bridge. We have transmission lines by the San Mateo-Hayward bridge, but none by the Dumbarton bridge. We intended or proposed to construct a substation on Ravenswood
Point, which is the west end of Dumbarton bridge.

GOV. ANDERSON: Would this be something similar along
the San Mateo-Hayward bridge.....

MR. TANDY: Yes sir.

GOV. ANDERSON: .... going along the Dumbarton bridge?

MR. TANDY: Yes sir. As far as underground, we have
made extensive studies on underground and it is extremely diffi-
cult due to our heat factor; and as far as running to the
southerly edge of the Bay, going around the south end of the
Bay and back up, that area is quite heavily developed. We have
Moffat Field and it would be almost impossible to bring a line
up from the south end of the Bay to get into the substation.

GOV. ANDERSON: How much more difficult is it to run
under the water?

MR. TANDY: With this type of line it would be re-
quired that the line be placed in a pipe that is filled with a
high grade insulating oil under pressure, with the conductors
to be placed in this pipe. I can't honestly say whether it
would be possible to cross the Bay. This I don't know. I know
from underground, this would be required for this type of
facility. Now, I have discussed this a little bit with our
engineers as far as the Bay, and they say they honestly don't
know at this time.

GOV. ANDERSON: These are the kind of questions that
some of us are concerned with, because we just came out of the
San Mateo-Hayward development on the Toll Bridge Authority and
we found there was a great deal of concern in the Bay area over the looks of what sort of structure we were building. We had almost gone ahead with one construction and found the people were unhappy; and when we came back, as a result of a lot of testimony, we decided that in addition to the utility value something of the looks of the thing would have to be taken into consideration. Why would we put many millions more into building a certain kind of construction and then have these lines? We are talking now about putting another set of power lines along another bridge that we know in the not too distant future we are going to have to build again, to take care of the increased traffic.

I think these are things we have to know. If the cost on the job is something that can't be overcome, we will be reasonable; but at least we should know what we are talking about and the alternatives there are, and what consideration has been given by the companies to these problems.

MR. TANDY: As far as different locations across the Bay, we did study a number and it appears again this is nearly the shortest route. We are paralleling existing facilities across the Bay instead of hitting a brand new route where there is nothing now; we are paralleling existing facilities.

GOV. ANDERSON: Could this kind of line be constructed on the bridge itself or under it -- something of that sort?
MR. TANDY: This I don't know.

GOV. ANDERSON: This is the kind of question we want answers to.

MR. TANDY: I might add -- as far as the hearings we went through in San Mateo County, the two public hearings, there were no objections from the audience whatsoever, nor was it appealed to the Board of Supervisors.

GOV. ANDERSON: There were no objections to the bridge we were starting to build until we started to build it and then there were, so we stopped and looked at a new design. I don't think it will hurt too much to take this off calendar.

MR. TANDY: May I ask -- the soonest we get this directive and letter, we will appreciate it.

GOV. ANDERSON: You could get this letter to him, Frank? (Turning to Mr. Cranston), You have no objection?

MR. CRANSTON: I am all for it.

MR. TANDY: Thank you.

GOV. ANDERSON: Proceeding on to item (d) -- H. K. Porter, Inc., Thermoid Division -- a ten-year renewal of Lease P.R.C. 245.1, effective 8/22/61, for 2.1 acres tide and submerged lands of New York Slough, Contra Costa County, at annual rental of $793.80. Used for water intake and discharge lines and general storage area.

Applicant (e), Robinet Logging Company -- acceptance of quitclaim deeds for P.R.C.'s 1629.1 and 1904.1, Klamath River, Humboldt County. Leases cancelled because logging...
operations have been completed. Mr. Hortig?

MR. HORTIG: Mr. Chairman, in addition to the agenda item appearing on page 28, I wish to call the attention of the Commission to the fact that there are performance bonds still on file to guarantee performance under these leases; and the quitclaim deeds, though authorized for acceptance by the Commission today, will not in fact be accepted nor will the bonds be released until there has been a site clearance inspection at the site to determine that the property has in fact been restored to the condition in which it existed at the time of the lease.

GOV. ANDERSON: Is that precaution in most of our leases now?

MR. HORTIG: Yes, it is standard practice with the State Lands Division.

GOV. ANDERSON: Applicant (f) is Southwest Exploration Company -- assignment to Signal Oil and Gas Company of Oil and Gas Lease P.R.C. 1344.1, Huntington Beach Field, Orange County.

Applicant (g) is Tidewater Oil Company -- fifteen-year lease with provision for renewal for two ten-year terms, 1.16 acres submerged lands in Carquinez Strait at Port Costa, Contra Costa County, annual rental $198.60; occupied by oil unloading wharf.

Applicant (h) is the Mobil Oil Company -- six-month permit to conduct submarine geophysical exploration operations.
during period 4/1/62 through 9/30/62, tide and submerged lands of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, and San Diego counties.

(i) is Mobil Oil Company -- six-month geological survey permit for period 4/1/62 through 9/30/62, tide and submerged lands of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, and San Diego counties.

(j) is Texaco Inc. -- six-month geological survey permit for period 4/1/62 through 9/30/62, tide and submerged lands of San Luis Obispo, Monterey, Santa Cruz, San Mateo, San Francisco, Marin, Sonoma, Mendocino, Humboldt, and Del Norte counties. That would just about cover the State.

MR. HORTIG: (In answer to question by Mr. Cranston not audible to reporter) It goes on to the next item because of the difference between geological and geophysical.

GOV. ANDERSON: Applicant (k) -- Standard Oil Company of California, Western Operations, Inc. -- six-month permit to conduct submarine geophysical operations for period 4/2/62 through 10/1/62, tide and submerged lands of Santa Barbara, San Luis Obispo, Monterey, Santa Cruz, San Mateo, San Francisco, Marin, Sonoma, Mendocino, Humboldt, and Del Norte counties.

MR. CRANSTON: You do have some objections on this?

MR. HORTIG: Yes. Mr. Chairman, with respect to the application by Standard Oil Company, two telegrams of protest were received -- one from Marin County Board of Supervisors reading:
"Marin County Board of Supervisors strongly opposed to application of Standard Oil Company of California for permit allowing company to conduct submarine exploration operations on coast line of county and particularly so in view of pending creation of Pt. Reyes National Seashore Area and recreational use of all waterfront which would be jeopardized in event such exploration should prove successful.

(signed) George H. Gnoss, Clerk
Marin County Board of Supervisors"

We also received a telegram addressed to the State Lands Commission:

"Please be advised that representatives from the County of Santa Cruz will be present at the hearing on March 29.

(signed) Francis Silliman, Chairman
Santa Cruz County Board of Supervisors"

In this connection, the staff wishes to report concern over the existence of these objections because the counties have, as a matter of standard practice by the State Lands Commission, always been informed of the pendency of applications for geophysical exploration permits and in the case of six prior permits, which also involve the offshore in Marin County, and at least six in Santa Cruz County, the respective counties have heretofore indicated nonobjection to
the Commission in connection with the issuance of permits which were identical in content, control and purpose for which application is made here today. In addition ....

GOV. ANDERSON: Are all these counties notified in ample time? How much time do they have?

MR. HORTIG: Normally never less than fifteen days and many times up to forty-five days. In addition, a telegram was received as of four thirty-seven p.m. yesterday evening addressed to the State Lands Commission from Mr. H. G. Vesper, President, Standard Oil Company of California Western Operations, Inc.:

"For your information, the following is a statement which has been given to the press, boards of supervisors and county planning directors in all coastal counties from Santa Cruz to Del Norte:

There seems to be an unfortunate lack of understanding concerning our application to the California State Lands Commission for a permit to conduct offshore exploration activities north of Point Conception. We have merely asked permission to conduct routine seismographic and other exploration programs to obtain data for use in possible bidding on Federal offshore leases if and when these lands become available. This does not involve any drilling operations either onshore or offshore."
"We are only one of a number of companies which have filed for similar permits. Operations of this kind have already been conducted by other companies in this general area.

We have no plans to drill any oil well off the coast in this area. Leases, of course, must be secured before any such plans can be considered. These Federal lands lie beyond the three-mile State jurisdiction. The State is involved only because it administers these lands for the Federal government.

There is no basis in fact for the rumors that we are at present considering drilling operations at or near Santa Cruz, Pt. Reyes or anywhere else along the California coast north of Point Conception. Our company has conducted exploration operations off the Pacific Coast for many years under the complete supervision of the appropriate State and local government authorities and with the acceptance of local fish and wildlife organizations.

It has been proved many times over that such activities are not harmful to the scenic and wildlife resources of the areas involved.

The principal tool of offshore exploration is the seismographic curve, which records the results of a carefully planned and executed series.
of harmless underwater detonations to obtain a profile of the earth's crust below. Our geologists then review this technical information to determine whether further investigation is warranted.

We have always considered fully the interest of the public in planning and carrying forward our oil exploration, and we will certainly continue to do so in this area."

MR. HORTIG (continuing): Additionally, for the record, Mr. Chairman, and in response to Mr. Cranston's question, while the telegrams of protest relate only to the application for geophysical exploration permit in the area specified, this follows logically because only on geophysical exploration operations which involve the use of explosives has the Lands Commission notified the onshore counties heretofore.

Geological explorations, which are conducted without the use of explosives, consisting of taking bottom samples or drilling shallow holes offshore from floating equipment which from onshore has all the appearance of an anchored fishing vessel, has never been objected to by any county or by any municipality and has never therefore been a source of a regular notification program for consideration.

The genesis of the Commission's authorization or directive that counties be notified was restricted to geophysical exploration permits in order that counties where explosives would be set off offshore would be notified in
advance; and, as I said earlier, with respect to the two protestant counties, Santa Cruz and Marin, there have been at least six exploration permits in the past operated under identical conditions as those proposed here, without objection on behalf of those protesting counties.

GOV. ANDERSON: Are there people here from Santa Cruz County?

MR. SANBROOK: My name is John Sanbrook, representing Santa Cruz County.

GOV. ANDERSON: You are representing the County?

MR. SANBROOK: Yes.

GOV. ANDERSON: In what capacity?

MR. SANBROOK: I am Assistant County Counsel, Mr. Chairman. For the record, I would like to indicate that Santa Cruz's position here is not one of protest, but primarily one of concern. This telegram was sent last night and is actually not a protest. The County Board of Supervisors considered this matter at their regular meeting on March 26th and were somewhat favorably inclined. They had some deep reservations primarily from the standpoint that possibly explosives would be used and the effect explosives would have on the wildlife in the area. This is primarily the concern the County Board of Supervisors had. It is not actually one of protest; actually, it is favorable.

GOV. ANDERSON: Have you had these other explorations before?
MR. SANBROOK: Possibly we have. I have never heard of it.

GOV. ANDERSON: Has it hurt the wildlife?

MR. SANBROOK: We had a report that apparently it had no effect on wildlife.

MR. SIEROTY: Is it not true that these tests are supervised?

MR. HORTIG: Concurrent permits from the Department of Fish and Game, with a regional inspector at all times present. Additionally, there is an inspector of the State Lands Commission aboard the boat.

MR. CRANSTON: What are the effects on fish and wildlife?

MR. HORTIG: In 1950, the Department of Fish and Game, after extensive studies and cooperative determination of control conditions with the State Lands Commission as to the type and size of explosive charges, determined that such operations could be conducted when controlled by the Lands Commission and Fish and Game Commission without any detrimental effect on the marine life; and it is only under these control conditions that there has been any geophysical exploration off the California coast since 1950, including six prior permits under the same control conditions which were effective for Santa Cruz County before.

MR. CRANSTON: On a related point, I heard the fear had been expressed in Santa Cruz that there might be unsightly
oil derricks cropping up offshore.

MR. SANBROOK: This is true.

MR. CRANSTON: The wire we have received from Standard Oil Company states they would like to do this work only to give them data that would be helpful to them if there is a possibility of bidding on Federal offshore areas which are beyond three miles out, and the actual fact is the State is without authority and is forbidden to permit any drilling without the three-mile limit under the Federal authority, so there actually is no danger. In view of what has been said here, do you think there is any objection by Santa Cruz?

MR. SANBROOK: Not that I can see. They just wanted to see that appropriate restrictions would be placed in effect if necessary.

MR. CRANSTON: The restrictions are already in effect.

MR. SIEROTY: On this matter of the oil derricks, Mr. Hortig, do you think it would be helpful to point out the new methods in use?

MR. CRANSTON: But there is no drilling anticipated at this time.

MR. HORTIG: Except possibly we might state in connection with Mr. Cranston's discussion, the State Lands Commission could not under present State law consider any area offshore of Santa Cruz County for oil and gas lease unless and until it were necessary to offer such lands to offset drainage.
of adjoining lands; so until Santa Cruz itself and through its planning commissions authorizes the establishment of a threat on the upland derricks, of necessity under present law this would arise first on the uplands rather than on the tide-
lands.

MR. CRANSTON: Frank, let me ask a question that arises out of that. Suppose the Federal government authorized drilling seaward from the present holdings and we feel we are being drained, does the present law authorize us to consider offering leases?

MR. HORTIG: I believe it would sir, to protect that.

GOV. ANDERSON: Any further comments?

MR. LOCATELLI: My name is Locatelli, member of the Board of Supervisors.

GOV. ANDERSON: What county?

MR. LOCATELLI: Santa Cruz. I am on the Board there and I understand you are on the Board of Regents. The Board was split there in granting this permit. They feel this way: If a permit is granted, then a company comes in and they go ahead and get the lease for drilling, of course the Planning Commission informed us that would be a kind of hard deal be- cause four things came up in Monterey Bay. First, the Uni-
iversity of California is coming in; second, you are spending three million dollars for a new nacht harbor which you are now developing, and the people said they don't want any derrick out there or anything else to ruin the scene of the bay and
they don't want no oil operation out on the bay in Santa Cruz Bay, because we have a lot of people on the beaches and fishing.

Two of the Board members tried to get me to reverse my vote. I was trying to vote for this exploring. They didn't like to see any dynamite or explosive of any kind. The Fish and Game don't like it either, but they say they are controlled by the State Lands Commission, whatever you want to say.

I want to say this very brief -- we are only down here to get information; that's what we are here more for, but we received a right to explain this morning. That's all I want to say.

One of the things I want to go on record: If a permit is being granted for drilling, then the Board of Supervisors is going to file a protest.

MR. CRANSTON: Do you concur with your County Counsel that you would have no objection in view of what was said?

MR. LOCATELLI: That's right. Two Board members were against it.

GOV. ANDERSON: Is there a representative from Marin County here? (No response)

Is there any information, Mr. Hortig, when the State Lands Commission does allow one of these companies to do one of these exploration jobs and they go out there that the Fish and Game feels reluctant to protest? Do they feel they are obligated to some other policy set up by some other State agency? Or is this a wrong impression?
MR. HORTIG: I would say it is definitely an incorrect impression, Governor Anderson, because the permit controls and conditions that are in the concurrent permit required from the Department of Fish and Game are determined by the State Fish and Game Commission and are administered by the State Department of Fish and Game, completely independently but happily cooperatively with the operations that are conducted, administrated and inspected by the State Lands Commission. As a matter of fact, actually the tendency has been that in connection with the use of explosives and their potential effect on marine life, the State Lands Commission has leaned heavily on the technical advise of the State Department of Fish and Game as to what would be acceptable in that area and has modified State Lands Commission concurrent permits in order to require exactly that and not permit any more than a Fish and Game permit authorizes in terms of explosives used, which explosive use has been determined by the Fish and Game Commission to be such that it will not be detrimental to marine life.

MR. SILROTY: Mr. Hortig, the purpose of these explorations is to gather information, and this information becomes part of the records available to this Commission, is that not true?

MR. HORTIG: Upon request these data under these permits must be made available to the Lands Commission as confidential information.

GOV. ANDERSON: But strictly in confidence.
MR. CRANSTON: Mr. Chairman, I think it would be appropriate to ask the representative of Standard Oil if they would agree -- as they have agreed under similar circumstances in the past, or other companies have in the past -- to defer the application insofar as Marin is concerned, so we will have an opportunity to explain to them the facts that have been explained to the people from Santa Cruz. I am pretty confident that their objections would be ended once the staff and Standard Oil have explained the situation to them, and this could be taken up at the next meeting in Sacramento, where they could be present if they wish to be; but as far as I am concerned the balance of the application would be approved.

GOV. ANDERSON: Is there any representative of the Standard Oil Company, Western Operations?

MR. ARMSTRONG: My name is R. W. Armstrong, representing the Standard Oil Company of California. We would have no objection to deferring the granting of the geophysical permit as to Marin County. We would like to commence operations elsewhere and if you wish to defer it to the next meeting that will be satisfactory to us.

MR. CRANSTON: In respect to this item, I move that it be approved with the exception of Marin and that that go over to the next meeting, and that Standard and the Lands Commission staff be instructed to discuss this with the Marin people prior to the next meeting.

GOV. ANDERSON: Seconded and carried unanimously.
MR. CRANSTON: Supervisor Locatelli, will you explain to the other two members the action taken here? I think their objections would be cancelled also.

GOV. ANDERSON: Proceeding with the calendar, item (1) -- San Diego Gas and Electric Company -- deferment for lease year ended 3/31/62 of operating requirements specified in Section 10 of Mineral Extraction Lease P.R.C. 2094.1. Dredging operations temporarily completed, but further extraction for additional construction anticipated.

Applicant (m) -- Standard Oil Company of California and Shell Oil Company -- deferment of drilling requirements under Oil and Gas Lease P.R.C. 2198.1 from 4/14/62 through 10/13/62, offshore Santa Barbara County. Time needed to complete evaluation of exploratory prospects.

MR. CRANSTON: I move approval of all items under Item Classification 3, with the exception of (c), which was removed from today's calendar, and (k) which we have already acted upon.

GOV. ANDERSON: I am going to second it. Before we vote on it, I would like to get a little further explanation of why the deferment of the drilling requirements on that lease.

MR. HORTIG: Yes, Mr. Chairman. The lease for the subject parcel was issued pursuant to competitive bidding on October 14, 1958, which provided a requirement for initiation of drilling operations within three years, which would have
been October 14, 1961. In fact the lessees advanced that drilling schedule and did not take advantage or disadvantage of all the time they had to commence drilling, and actually drilled and abandoned because they were unproductive four wells on the lease, which have been drilled at a cost of approximately one million, five hundred thousand dollars -- which is the cost to the lessee in addition to the cash bonus which was paid for the issuance of the lease.

In connection with other lease offers of the Commission recently, there have been further geophysical explorations offshore in the same general Santa Barbara County area where this lease is located and it is felt by the lessees, and concurred in by the staff, that it would be desirable from an effective and efficient operating standpoint to have a period of time within which to evaluate and coordinate all currently available exploration data and the geologic results obtained from these four unsuccessful wells before the companies decide whether their program is going to be to quitclaim the lease back to the State or proceed with further exploratory drilling.

Therefore, it is recommended that the lessees be granted a six-month deferment period in order to undertake and hopefully complete such studies.

MR. CRANSTON: What was the date when this particular lease was made?

MR. HORTIG: This was a late one, October 14, 1958, later than the other four parcels issued in '58, because there
was a discussion as to the adequacy of the cash bonus bid on this parcel. It was the last one issued in the 1958 series.

GOV. ANDERSON: I second Mr. Cranston's motion on all these items and it is carried unanimously.

Item 4 is City of Long Beach approvals required pursuant to Chapter 29, 1956, First Extraordinary Session. The first project is (a) -- Town Lot, street paving and building removal, second phase; expenditure subsequent to 3/29/62 of $40,000 with $25,200 or sixty-three percent estimated as subsidence costs. Project (b) -- Pier A, diversion dike remedial -- determination of State's share of subsidence remedial costs to be $9,092.61, with credit due State of $675.46. Project (c) -- Pier A, diversion dike remedial -- determination of State's share of subsidence remedial costs to be $7,854.51, with credit due City of $197.51. Project (d) is Pier A, berths 3 to 7, temporary dike wall -- determination of State's share of subsidence remedial costs to be $6,808.90 with credit due City of $12.99.

MR. HORTIG: Mr. Chairman, at this point to set these items in their proper perspective as representing both the initiation and completion of projects, I should like to call the attention of the Commission to the fact that item (a) is the type of project that requires advance approval by the State Lands Commission before the City can expend funds for the completion of the project and the statutes provide that as to subsidence amounts ultimately determined to be included...
as the State's share, the rate is twenty-five percent of the total cost. It is noted that the $25,200 proposed to be approved, which is sixty-three percent estimated as subsidence costs, is conditioned in the recommendation to the Commission to be adjusted as a result of final engineering and audit review when the project is completed in fact.

The next three items, (b), (c) and (d), are projects previously approved by the Lands Commission under the same conditions with the same restrictions, which projects now have been completed in fact; the final engineering and audit reviews have been made and, as can be seen, the final bookkeeping entries can now be made.

In the first instance, the State's contribution would be $675 less than estimated; in the next two instances, the City is entitled to $197 and $13 respectively more over and above the original estimates.

GOV. ANDERSON: Project (e) is approval of and authorization for Executive Officer to approve "Fourth Agreement Supplementing Drilling and Operating Contract dated March 12, 1947, Parcel A," between City of Long Beach and its Board of Harbor Commissioners as first parties and Richfield Oil Corporation as second party -- to prevent migration of oil into unleased marginal lands.

MR. HORTIG: Mr. Chairman, in connection with the review of the proposal by the Office of the Attorney General, the opinion of the Office of the Attorney General was forwarded
with the suggestion that there be additional conditions for
control available to the State Lands Commission relating to
advance approval of the location of the injection interval of
any well to be drilled for the injection of water which this
program contemplates be done in augmentation of the present
repressuring operations being conducted in the tidelands area
of Long Beach.

The additional condition suggested by the Attorney
General's Office as a condition for approval by the Commission
has been accepted in writing by the General Manager of the
Long Beach Harbor Department and the Richfield Oil Corporation
by letter. Therefore, it is recommended that authorization
for approval of amendments to the agreement be authorized by
the Commission.

MR. CRANSTON: Mr. Chairman, I move approval of
Item Class 4.

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

Item Classification 5 -- Land items - sales, selec-
tions, et cetera. All land sale items here presented have
been reviewed by all State agencies having a land acquisition
program and, unless otherwise indicated, no interest has been
reported by those agencies in any of the lands proposed for
sale.

(a) is the sale of vacant State school lands and
the first applicant is Henry I. Miller, Jr.; appraised value
of the land is $22,400, the bid is the same.

(b) is the selection of vacant Federal lands on behalf of the State. Applicants do not desire to proceed with acquisition of the lands. The first is forty acres in Kern County pursuant to application of William L. McCain.

MR. HORTIG: With respect to item (b)(1), of course, Mr. Chairman, the authorization by the Commission would result in the specified forty acres of Federal lands in Kern County being selected for the benefit of the State and being added to the list of vacant State school lands under the jurisdiction of the State Lands Commission.

MR. CRANSTON: I move approval of items in Class 5.

GOV. ANDERSON: Seconded and carried unanimously.

Item Classification 6 is the proposed oil and gas lease, Santa Barbara County, Parcel 7. Mr. Hortig, this is an underwater drilling operation. Will you explain it a little bit for the record?

MR. HORTIG: Mr. Chairman, as an introduction I believe it might be well to present to the Commission at this point the information that with respect to an offer of the State Lands Commission of a proposed oil and gas lease identified as Parcel 6, previously authorized by the Lands Commission for offer, four bids were received on March 27th in response to a public notice of intention to enter into a lease for the extraction of oil and gas from fifty-six hundred and fifty-three acres (approximately) in Santa Barbara County, immediately
adjacent to Point Conception, pursuant to the authorization by the Commission on February 27th. The bids which were received and opened are under review by the staff and the Office of the Attorney General as to technical and legal sufficiency and, as presented in the tabulation of the cash bonus offered, there were four bids with the established high bid being offered by Union Oil Company of California in the amount of $3,047,740. The staff recommendations relative to Commission consideration for award of lease pursuant to this offer will be presented to the Commission at the April meeting.

Following in sequence, then, Mr. Chairman, it is proposed on pages 48 and 49 of your agenda to recommend authorization to the staff to proceed with the offering of Parcel 7, a parcel slightly smaller in size than Parcel 6, containing 4,250 acres, centered approximately on the Santa Barbara County coast line at Gaviota.

As the Commissioners will recall, in the development of lease terms and conditions in cooperation with the County of Santa Barbara and as developed at public hearings held at Santa Barbara, the Board of Supervisors felt that it was desirable that for any area east of Gaviota there would be a limitation that would preclude the placement of any permanent structures projecting above the surface of the ocean where they would be semi-permanently visible at any location that would be closer than one mile to the ordinary high water mark.

The last set of leases offered in the general area...
by the Commission in 1958 contained such a prohibition as to closer approach to the shore in the lease. At the time of review with the County of Santa Barbara for what is now the Commission's current series of lease offers, the techniques of ocean floor completion of an oil well -- the type of which the Commission has approved several times and we have several in actual operation completely satisfactorily -- these techniques and the method of production had not been developed and actually put into use offshore in California, and therefore this type of operation was not contemplated in connection with the prohibition for maintaining of operations at lease one mile offshore.

As reported in the third paragraph, to assure complete mutual understanding as to the bases for employing ocean floor installations closer than one mile from shore in oil and gas leases to be offered by the Commission in the tidelands area between Gaviota and Elwood (and the parcel under consideration here this morning is at the westerly edge of this area), this Division explained to the Santa Barbara officials the merits and techniques of ocean floor completions, that it is desirable to employ ocean floor completions where feasible, and that the previously quoted condition of the present oil and gas lease form (parenthetically, the one-mile limitation) does not preclude this type of operation.

Therefore, it is recommended -- and we have had no objection from the Santa Barbara County Board of Supervisors
on that position; the position was also discussed with the
District Attorney, the County Counsel, the Director of Planning,
and the principal administrative assistant to the Board of
Supervisors in Santa Barbara ......

GOV. ANDERSON: This particular lease, then, will be
limited to ocean floor drilling?

MR. HORTIG: No sir. This particular lease would
carry the same limitation for permanent structures protruding
above the ocean floor, as being prohibited any closer than one
mile to the ordinary high water mark.

GOV. ANDERSON: Won't that in effect almost limit
the depth?

MR. HORTIG: In some sections of the parcel it might
still be feasible to do it with a platform or island type
structure, but anything of a permanent nature to be a mile out.

GOV. ANDERSON: I have been led to believe that this
was out -- that the fall-off was fast enough out there to make
this almost prohibitive.

MR. HORTIG: It is less desirable. If there were
no other factors to be considered on behalf of the County and
if this were acres of land out in the Saudi or Arabian desert,
developing an effective, economic and efficient operating
program would be considerably simpler.

GOV. ANDERSON: We can assume for practical purposes
that it will probably be ocean floor drilling in this area?

MR. HORTIG: Certainly it is a definitely reasonable
assumption that much of the original and initial development
may be by ocean floor completion.

GOV. ANDERSON: Isn't the ocean floor type drilling
something that all of our bidders are able to do? Does it in
a sense limit the people that are able to bid? This is the
thing I want to know -- Are we moving too fast for all of the
people?

MR. HORTIG: Most of our bidders in all of the com-
panies engaged in tideland activities have not completed ocean
floor wells heretofore. However, I have the utmost confidence
and respect in their engineering capability and I don't think
an ocean floor completion is any longer a military secret. If
any operator wants to make an ocean floor completion today, I
am sure that they are staffed to the point where they could
complete the laboratory and field tests and designs for those
elements of which they are not already aware.

GOV. ANDERSON: It wasn't too long ago when we were
showing some pictures and it was in confidence; it was with
the assumption that there were secrets some other companies
did not have.

MR. HORTIG: This is still correct, but this means
of the types of ocean floor completions we have in satisfactory
operation with complete safety. We have at least three dif-
f erent types, three different companies, and I am sure if we
get five companies in as lessees who want to use ocean floor
completions we will have five different types of ocean floor
completions; but as a class, it will all come under the heading of a cat but they are all going to be different breeds of cats and can be successfully.

So, therefore, it is recommended that the Commission authorize the Executive Officer to offer Parcel 7 for lease, with the bid lease form to be utilized to be spelled out specifically as spelled out on the bottom of page 48 -- that after the the one-mile limitation on permanent filled lands, platforms or other fixed or floating structures "this section shall not apply to drilling and completion of a submerged ocean floor oil or gas well."

MR. CRANSTON: I move approval.

GOV. ANDERSON: Do you have a question, Mr. Sieroty?

MR. SIEROTY: Mr. Chairman, may I ask what is the problem of using this ocean floor drilling beyond the one-mile mark?

MR. HORTIG: I think the problems are directly related to the depth of water. In California we have not yet had an ocean floor completion that did not utilize or require in some stage of the operation some diver attendance, some diver manipulation of the equipment. Therefore, if the water depth is beyond the range of diver operation, this type of operation may not be feasible or economical. There have been some alternative solutions to this extreme water depth problem. One of our lessees which supports the ocean floor well to a height that brings it within diver range has one possible
solution. On the other hand, there have been industry reports of a complete unattended remote control ocean floor completion of a well in the Gulf and if such remote control operations merely require adding more cable or pipe in the deeper water, we can foresee overcoming the deep water hazard, even where it is too deep for diver operations.

On the other hand, the number of individual wells under these techniques is not extensive and there can be cases where economics indicate it is more desirable to have a multiple platform and to fan out from that platform, rather than have individual wells and piping at each point where wells are located. This is the advantage of having maximum flexibility — the advantage to the Commission and the lessee to have maximum flexibility in a lease that can be incorporated, in order that the best engineering economics can be brought to bear on the development of the lease.

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

Item Classification 7 is the approval and authorization for the Executive Officer to execute agreement with the City of Oakland, fixing the United States Pierhead Line of 1913 as the ordinary low water mark line and permanent boundary line between State tide and submerged lands and City of Oakland lands between Broadway and Washington Streets, City of Oakland, Alameda County, California; and applying legislative trust terms and conditions of Chapter 720/41 to lands norther
of the ordinary low water mark previously acquired by the City of Oakland with tideland trust funds.

MR. HORTIG: Mr. Chairman this is probably as complex a title problem as we have had the pleasure of wrestling with for a long time, but fortunately the City of Oakland is the fee owner of the uplands and the trust owner of the granted tidelands adjoining; and, therefore, we were able to arrive at a point of agreement with the City of Oakland as to the most probable location of the dividing line between the grant lands and the uplands, and recommend that the Commission approve this line as the boundary line, which is within the authority of the State Lands Commission to do by agreement with the adjoining owner.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Seconded ... 

MR. HORTIG: The Port Attorney of the City of Oakland is here.

GOV. ANDERSON: Would the Port Attorney like to come forward and identify himself?

MR. ROONEY: Mr. Chairman and members of the Commission, my name is J. Kerwin Rooney, Port Attorney of the City of Oakland, and I am only here to answer any questions you might have. We have been working with the Lands Commission many months on this matter and have had all cooperation.

GOV. ANDERSON: You recommend our approval?

MR. ROONEY: Certainly do.
GOV. ANDERSON: It has been moved and seconded, carried unanimously.

Item 8 -- Approval of proposed boundary line establishing ordinary high water mark between State property and upland property owned by Melvin E. and Lillian B. Linch at Malibu Beach, Los Angeles County, California; authorization for Executive Officer to execute necessary agreement with upland owners.

MR. HORTIG: As shown by the photograph on the second page following page 58 of your agenda, by erection of residence property on the beach and placing a rock riprap wall at a location which has been determined by the Division to be at the location of the ordinary high water mark, the present occupants of the uplands have for all times affected the mean high tide line and it can no longer fluctuate as it would without this rock wall; and, therefore, it is recommended -- since this rock wall is on privately owned uplands and the State boundary is at the base of the rocks -- that similarly to the agreement recommended for the Port of Oakland, the Lands Commission authorize agreement as to the fixation of this boundary line and have a map of it recorded, so that there will be no question in the future as to private encroachment on State lands.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Seconded, carried unanimously.

Item 9 is the authorization to the Executive Officer to issue permit pursuant to Chapter 1617/51, reserving to
the Contra Costa Flood Control and Water Conservation District

certain portions of natural bed of Nueces Creek, Contra Costa
County, for construction, maintenance and use of a flood con-
trol channel.

MR. HORTIG: The Contra Costa Flood Control and Water
Conservation District was created by legislative action and
in their discharge of their responsibility desire to construct
a flood control channel as shown on the map following page 59
of your agenda. The course of this channel would also in-
clude two segments of former Nueces Creek, now called Grayson
Creek, which are outlined in black block on your map there,
Governor, and as to these two areas of State-owned land, it is
recommended that the District be given the reservation as
authorized in law for utilization of these portions of the
abandoned creek as a portion of the site for a flood control
channel.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Seconded, carried unanimously.

Classification 10 -- Authorization for Executive
Officer to execute service agreement with City of Albany,
California, for surveying services pursuant to Chapter 1763/61,
at Commission's actual costs but not to exceed $4,000.

MR. HORTIG: As the Commission is aware, the Legis-
lature annually continues to grant tide and submerged lands to
various municipalities and counties and the current standard
condition of such granting legislation is that the grant must
be surveyed by the State Lands Commission at the cost of the grantee before the grant can take effect. We have estimated that the Commission's costs to make such a survey in the case of the Albany grant of 1961 would not exceed $4,000 and the City of Albany is willing to enter into a service contract to have this service performed and to pay the State Lands Commission the cost.

It is recommended the Executive Officer be authorized to sign this contract, the blanket authorization being limited to a top of $2,000.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Seconded, carried unanimously.

Item Classification 11 -- Authorization for Executive Officer to approve and have recorded Sheet 1 of 1 of Map entitled "Map of the Grant to the City of Chula Vista, Chapter 328, Statutes of 1961, Vicinity of San Diego Bay, San Diego County, California," dated December 1961.

MR. CHAIRMAN: Again in perspective, Mr. Chairman, just as the start was made in authorizing survey of a tideland grant, the item here is the end product pursuant to prior authorization of the Commission. Survey was conducted of the tideland grant at the cost of the City of Chula Vista, the photographic reproduction follows page 61 of your agenda, and it is recommended that this map be authorized to be approved and be recorded, following which the City of Chula Vista will then have a valid tideland grant.
MR. CRANSTON: I move approval.

GOV. ANDERSON: This is solely in front of the City limits of Chula Vista?

MR. HORTIG: That is correct. As a matter of fact, the purpose of the 1961 grant was to convey to Chula Vista the remaining ungranted tide and submerged lands within the city limits of Chula Vista.

GOV. ANDERSON: I'll second it; carried unanimously.

12 is confirmation of transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

MR. HORTIG: Consisting at this time solely of ratification of an extension granted for a geological exploration permit which was previously authorized by the Lands Commission.

MR. CRANSTON: Do you want a motion?

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 13 -- information only, no Commission action required. (a) is Proposed Annexation No. 2 of tide and submerged lands by the City of San Clemente, Orange County.

MR. HORTIG: As the Commission will recall, at the last meeting no action was taken with respect to the proposed annexation of tide and submerged lands by the City of San Clemente on the representation of the Special City Attorney that the annexation proceedings would be discontinued or
abandoned. I have before me a copy, attested by the Clerk of the City of San Clemente, of the ordinance of the City of San Clemente, California dated 21 March '62, disapproving annexation Number 2 and thereby disposing of any pending annexation proceedings on tide and submerged lands, and in a form which has been reviewed and is felt to be satisfactory by the Office of the Attorney General.

GOV. ANDERSON: (b) is the report of status of major litigation.

MR. HORTIG: Essentially, as you gentlemen can see, the wheels of justice are grinding slowly. Procedural matters are being disposed of in connection with all of our litigation which is on file. Of particular interest, possibly, is item 2, the Alamitos Bay quitclaim litigation, in which the District Court of Appeal held in favor of the State. There is now under consideration in the Supreme Court a petition for rehearing. We will get the terminology straight from our counsel.

MR. SHAVELSON: Petition for rehearing in the District Court of Appeal has been denied and the time for filing a petition for hearing in the State Supreme Court has not as yet expired, so this case is still pending in the appellate court.

MR. HORTIG: However, is not the decision of the Supreme Court anticipated shortly, one way or the other?

MR. SHAVELSON: Not as shortly as I informally indicated to you earlier. I think it is possible we may not
know the Supreme Court's decision as to whether or not to review this decision within about another, I think, forty days or so.

GOV. ANDERSON: That just about winds us up. I would like to just comment to the staff that I was quite happy with the proceeds of the lease on Parcel Number 6. Our State Controller needs that money to help keep our books in balance. We hope that you can do as well on Parcel 7. Congratulations on what you are doing so far.

MR. KORTIG: Thank you.

GOV. ANDERSON: I think the last in order is confirmation of the date, time and place of the next meeting -- Thursday, April 26, 1962 at 10 a.m. in Sacramento; and if there is no one in the audience with anything further to bring before the Commission, we stand adjourned until that meeting. (No response) We are adjourned.

ADJOURNED 11:45 A.M.
CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing forty-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 in Los Angeles, California, on March 29, 1962.

DATED: Sacramento, California, April 10, 1962.