

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TRANSCRIPT OF
MEETING
of

STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA

August 28, 1962

PARTICIPANTES:

THE COMMISSION:

Hon. Alan Cranston, Controller, Chairman

Hon. Glenn M. Anderson, Lieutenant Governor

Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

Mr. Alan Sieroty, Executive Secretary
to Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

Mr. Heward S. Goldin, Assistant Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. Harry S. Leasure, Senior Construction Engineer,
Southern California Edison Company

Mr. Forrest E. Macomber, Attorney-at-Law,
representing Teachers Beach Association

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

INDEX
(In accordance with Calendary Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1 Call to Order			
2 Confirmation of minutes of meetings June 28 and July 19, 1962			1
3 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE:			
(a) State of California, Div. of Highways	14	1	1
(b) Los Angeles County Flood Control Dist.	18	2	1
(c) Sacramento Municipal Utility District	17	3	1
(d) City of San Clemente	12	4	1
(e) Union Oil Co. of Calif.	22	5	3
MOTION ON CLASSIFICATION 3 - - - - -			3
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE			
(a) State of California, Dept. Parks & Recreation	19	6	3
(b) Southern Calif. Edison	20	7	4
(c) Standard Oil Co. of Calif., West Operations	9	9	7
(d) Teachers Beach Assoc.	13	10	7
(e) Texaco Inc.	10	11	14
MOTION ON CLASSIFICATION 4 - - - - -			14
5 CITY OF LONG BEACH			
(a) Approval \$27,737.60 for two dump trucks out of city's share tideland oil revenue	7	13	15

continued

I N D E X
(In accordance with Calendar Summary)
continued

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>

5	CITY OF LONG BEACH (cont'd)		
	(b) Approval of locations of injection intervals Wells FR-106 and FR-107	8	14
	MOTION ON CLASSIFICATION 5 - - - - -		15
			17

6	LAND ITEMS		
	(a) Sale-Vacant Federal Land		
	(1) Selection 1,746.70 ac. San Bernardino County and authorization for sale to Riverside Cement Company; confirmation 62-day ex- tension to deposit funds	3	16
	(b) Selection Vacant Fed. Land		
	(1) 115.80 ac. Kern County (Applic. Krantz-Westphall)	2	18
	(c) Proposed Purchase (Exch.) Fed. Land, Trinity County	16	19
	MOTION ON CLASSIFICATION 6 - - - - -		18
			19

7	Supplementary Agreement to Agreement LC-175 with Reming- ton Rand	15	21
			19

8	Mineral Extraction Lease Offer, Owens Lake, Inyo County	11	23
			19

9	Termination Oil and Gas Lease Santa Barbara County under P.R.C. 773.1, S. D. Owens	6	30
			20

10	Assignment of half interest in P.R.C. 392.2 from Estate of Robert Livingstone, etc.	5	32
			21 - Removed from calendar

continued

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I N D E X
(in accordance with Calendar Summary)
continued

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
11 Approval of location and authorization for Huntington Harbour Corp. to construct bridge - P.R.C. 2818.1	4	33	21
12 Confirmation of transactions consummated by Exec. Officer:	1		22
Humble Oil & Ref. Co.		34	
Shell Oil Company		34-35-36	
Signal Oil & Gas Co.		36	
13 Informative - Litigation	21	37	23
14 Next meeting			29
<u>SUPPLEMENTAL</u>			
Acceptance of bid and award of oil and gas lesse, Santa Barbara County Parcel 8A	23		23
<u>UNCALENDARED:</u>			
Discussion re land management program			25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I N D E X
(In accordance with item numbers)

<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
1	34	22	20	7	4
2	16	17	21	37	23
3	16	17	22	5	3
4	33	21			
5	32	21	<u>SUPPLEMENTAL:</u>		
6	30	20	23		23
7	13	15			
8	14	15	<u>UNCALENDARED:</u>		
9	9	7	Land management program		25
10	11	14			
11	23	19	<u>NEXT MEETING</u>		
12	4	1			29
13	10	7			
14	1	1			
15	21	19			
16	19	18			
17	3	1			
18	2	1			
19	6	3			

000000

1 MR. GRANSTON: The meeting will please come to
2 order. The first item is confirmation of minutes of meetings
3 of June 28 and July 19, 1962. Are there any corrections or
4 omissions? If not, they will stand approved as submitted.

5 Item 3 -- Permits, easements, and rights-of-way
6 to be granted to public and other agencies at no fee, pursuant
7 to statute: Applicant (a) State of California, Division of
8 Highways -- Right of-way easement, 3.716 acres submerged lands
9 of Sacramento River, Yolo and Sacramento counties, for protec-
10 tion, construction and maintenance of bridge on State Highway
11 Route III-Yol, Sac-6-c, Sac.

12 Item (b) Los Angeles County Flood Control District --
13 Life-of-structure permit, 32.30-acre parcel of tide and sub-
14 merged lands at mouth of San Gabriel River Orange County, for
15 flood control purposes.

16 Item (c) Sacramento Municipal Utility District --
17 Amendment of legal description of life-of-structure permit
18 P.R.C. 2847.9 covering tide and submerged lands of the American
19 River near Carmichael, Sacramento County; occasioned by need
20 to relocate proposed power line to avoid crossing golf course
21 to be built by County of Sacramento.

22 Item (d) City of San Clemente -- Replacement lease
23 for additional twenty-year period of P.R.C. 53.9, 9.18 acres
24 tide and submerged lands of Pacific Ocean at San Clemente,
25 Orange County, for maintaining and operating municipal pier
26 for public recreational use.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

GOV. ANDERSON: I have a question on that. On this kind of a pier permit, what happens when they become broken down and dilapidated? Who is responsible for that and how are we protected on that?

MR. HORTIG: Governor Anderson, the permittee is responsible and there are periodic and regular inspections by the State Lands Commission. Such inspections are conducted by the staff and it is only since there have been pier permits issued by the Lands Commission that there has been a minimum of problem with occupancy of tide and submerged lands with structures that are unsafe for operation. The only remaining structures of which we are aware that are unsafe for operation on tide and submerged lands, which are piers that were constructed forty, fifty years ago -- and I believe there are only two of these now -- are under investigation for replacement or removal. These permits were issued by the County Board of Supervisors and at a time that actually preceded the formation of the State Lands Commission.

GOV. ANDERSON: In other words, when we see these pier posts and these piers that are abandoned, these things were done prior to the formation of the State Lands Commission and there is no way we can clean these up?

MR. HORTIG: Not unless we can find the responsible agency who actually financed the construction in the first instance. Some of these, it develops, were placed by real estate developers in the interest of adjoining beach lots and

1 real estate developers of subdivisions, who evaporated entirely
2 in the 1920's and 1930's, leaving these derelict piers on
3 tide and submerged lands.

4 In the case of an abandoned pier down in Del Mar,
5 which was there prior to the time of the State Lands Commission
6 and which is not there any more, we were able to arrange with
7 the Navy to conduct their demolition team exercises on the
8 tide and submerged lands and we were successful in having it
9 removed from the beach.

10 GOV. ANDERSON: On anything, we are covered now?

11 MR. HORTIG: Yes.

12 MR. CRANSTON: Item (e) Union Oil Company of Cali-
13 fornia -- Permit to dredge 35,000 cubic yards of sand and
14 silt from tide and submerged lands adjoining company's wharf
15 at Oleum, Contra Costa County, to provide draft for vessels
16 docking at the pier.

17 That concludes Item 3. Motion to approve is in
18 order.

19 GOV. ANDERSON: Move.

20 MR. CHAMPION: Second.

21 MR. CRANSTON: Moved, seconded, and approved unani-
22 mously. Item 4 -- Permits, easements, leases, and rights-of-
23 way issued pursuant to statutes and established rental
24 policies of the Commission:

25 (a) State of California, Department of Parks and
26 Recreation -- 49-year road easement, 0.11 acres school lands,

4
1 San Diego County, crossing a right-of-way granted to San
2 Diego and Arizona Eastern Railway Company, total rental \$100;
3 to be maintained as a public crossing in Anza-Borrego Desert
4 State Park.

5 Item (b) Southern California Edison Company -- Two-
6 year lease of 4.7-acre parcel of filled tidelands fronting
7 Steam Station at El Segundo, Los Angeles County; total rental
8 \$24,567.84, for expansion of existing generating plant; and
9 permit to place approximately 175,000 cubic yards of dune
10 sand on State tidelands fronting the El Segundo Steam Station.

11 GOV. ANDERSON: May I ask a question on this? Now,
12 we are permitting them to take the sand dunes and place them
13 on State tidelands. What happens to that sand there? Does
14 that blow up and down the beach there?

15 MR. HORTIG: The sand is anticipated, in the period
16 of two years after the original placement, Governor, to mi-
17 grate in the manner in which sand has always migrated along
18 this particular section of Santa Monica Bay -- to go to the
19 communities southerly of the El Segundo Steam Station and
20 probably as far down as Manhattan Beach, to the benefit of the
21 beaches in that area inasmuch as the material to be placed is
22 clean beach dune sand.

23 GOV. ANDERSON: When you say "migrate in the usual
24 way," do you mean by blowing down there?

25 MR. HORTIG: It will be carried by the littoral
26 drift of the ocean.

1 GOV. ANDERSON: In other words, there isn't the
2 danger of that sand blowing down?

3 MR. HORTIG: No sir, because it will be placed out
4 into and adjacent to the water, and in a manner which the
5 State Water Pollution Board has reviewed, which will assure
6 minimal amount of discoloration of the water while it is
7 being so placed.

8 In addition, we have a report, which follows the
9 specific item in the agenda, from Herbert A. Howlett, Erosion
10 Engineer with the Department of Water Resources, State of
11 California, indicating that in their opinion this placement
12 will be of benefit to the downcoast beaches as far as recrea-
13 tional utilization.

14 GOV. ANDERSON: I assume El Segundo has cleared this.
15 What about Manhattan Beach?

16 MR. HORTIG: No sir.

17 GOV. ANDERSON: They wouldn't know this was going on?

18 MR. HORTIG: No sir. On the other hand, to assure
19 against the possibility of any adverse effect, there is com-
20 plete provision for thirty-day cancellation of the project
21 and necessity for restoration of the beach and removal of the
22 material if any adverse effects should occur. These, of
23 course, are not expected. These would be entirely outside of
24 the normal range; it would be entirely outside of what all
25 our consultants have told us would happen; but, nevertheless,
26 the control is in the State Lands Commission under this permit

1 to terminate this if the unforeseen should occur.

2 GOV. ANDERSON: Would it be out of order to suggest
3 that Manhattan Beach look at this before it starts? This is
4 awfully close to their boundary line.

5 MR. HORTIG: This is correct. I would think that
6 in general Manhattan Beach is aware of it. They are not aware
7 of it officially by our Division. However, representatives
8 of our applicant this morning, the Southern California Edison
9 Company, who are proposing to conduct this project, are in the
10 audience and they may have discussed this subject with Man-
11 hattan Beach. Might I recommend these gentlemen be called
12 upon for comment on that question?

13 GOV. ANDERSON: Is the representative of Southern
14 California Edison here?

15 MR. LEASURE: Yes.

16 GOV. ANDERSON: Does the City of Manhattan Beach
17 know what you are doing here?

18 MR. LEASURE: To my knowledge they have not been
19 advised officially -- I don't know personally that they have
20 been notified officially.

21 GOV. ANDERSON: I would think, Frank, they should
22 know about it, even if it is a good idea.

23 MR. HORTIG: Mr. Chairman, might I suggest as a
24 matter of procedure, inasmuch as a microphone has been provided
25 for people responding from the audience, that for future
26 replies it be indicated that the microphone be used so the

1 reporter can reproduce an accurate transcript.

2 MR. CRANSTON: If there is no further comment on
3 this - - Item (c) Standard Oil Company of California, Western
4 Operations, Inc. -- Geological survey permit, tide and sub-
5 merged lands in Santa Barbara, San Luis Obispo, Monterey,
6 Santa Cruz, San Mateo, San Francisco, Marin, Sonoma, Mendo-
7 cino, Humboldt, and Del Norte counties for period August 28,
8 1962 through February 27, 1963.

9 Item (d) Teachers Beach Association -- Rejection
10 of application.....

11 MR. HORTIG: Mr. Chairman, excuse me, but in connec-
12 tion with item (d), Teachers Beach Association, the question
13 having arisen requiring further review as to the application
14 of certain legal principles specifically related to the
15 physical facts as recited in connection with this application,
16 it is recommended that these questions be referred by the
17 staff to the Office of the Attorney General for a review or
18 for a report at the next regular meeting of the Commission.

19 The attorney for the applicant had indicated the
20 possibility of appearing today to present material and despite
21 the report that this matter would be re-referred to the
22 Attorney General's Office on recommendation of the staff,
23 apparently the gentleman is here.

24 MR. MACOMBER: Mr. Chairman, my name is Forrest E.
25 Macomber from Stockton and I have come here because this mat-
26 ter was regularly scheduled on the calendar and I'd like to be

1 heard on this matter as to the facts. Now, if the Commission
2 desire to refer this matter for legal opinion to their counsel
3 thereafter, I have no objection to that ...

4 MR. CRANSTON: I presume

5 MR. MACOMBER: At the appropriate time, I'd like
6 to be heard.

7 MR. CRANSTON: ... it would be in order that you be
8 heard now, since it was on the agenda. Is there any objection
9 to that?

10 MR. HORTIG: No. I do wish the record to show that
11 Mr. Macomber was informed that there would be no need for
12 this presentation today in view of the circumstances and the
13 staff reaction that the item be withdrawn from the agenda for
14 re-reference to the Office of the Attorney General; but Mr.
15 Macomber preferred to appear today to give this presentation
16 to the Lands Commission.

17 MR. MACOMBER: Yes. I was called last night and
18 at that time it was too late for me to cancel all my reserva-
19 tions. May I proceed?

20 MR. CRANSTON: Without objection, you may proceed.

21 MR. MACOMBER: My name is Forrest E. Macomber and
22 I am a lawyer from Stockton, California. I am a member of the
23 Board of Governors and Vice President of the State Bar of
24 California. I am appearing here on behalf of the Teachers
25 Beach Association; and in order for the Commission to form an
26 opinion on this matter, I'll have to give a little - - and

1 I'll make it as short as I can, since I know your calendar
2 is long - - a little history of this matter.

3 In 1955 -- on October 13, 1955, on behalf of a group
4 of twelve persons from Stockton, I formed a nonprofit corpora-
5 tion called Teachers Beach Association; and on December 14,
6 1956, I obtained a permit from the Commissioner of Corporations
7 to issue a total of twelve membership certificates to these
8 members of this corporation.

9 I'll have to go back a little bit and tell you how
10 this situation arose. Doctor Mitchell, of the College of the
11 Pacific, had a home in Inverness, California. As you gentle-
12 men know, that's on Tomales Bay, and he found there was a
13 parcel of land of approximately eleven acres that bordered on
14 Tomales Beach, right next to Shell Beach, the State park there.

15 MR. HORTIG: Excuse me, Mr. Macomber. The Commis-
16 sioners have on their agenda a reproduction of that same map,
17 so they can refer to it right on the table.

18 MR. MACOMBER: Thank you. Doctor Mitchell purchased
19 this property as trustee for the other eleven of us and then
20 we had a surveyor survey the property, and it was divided up
21 into twelve different lots bordering on a road around the cir-
22 cumference of the property; but there was carved out of this
23 property what is called Parcel A, consisting of 2.2 acres of
24 what we call "common" lands. There is a creek running down
25 into the bay and that land is rather steep, and there are
26 great fern banks on it, and trees, and it is quite a beautiful

1 place, and this is a mile and a half north of the town of
2 Inverness on Tomales Bay and it fronts for a considerable
3 distance on Tomales Bay.

4 Now, that Parcel A was deeded to this corporation
5 and the purpose of this corporation was to hold this common
6 land, so that it could be used by the owners of these twelve
7 lots for recreational purposes only -- instead of dividing the
8 thing into twelve small parcels. It was thought better to
9 have this one large parcel and have it in common.

10 Now, there are twelve different persons who own lots
11 surrounding this common land and there is one house presently
12 there and two others are about to be built. The owners of
13 this land are the same owners; with one exception, none of
14 these lots have been sold since 1955.

15 Now, what we propose to do is to put a pier - - and
16 I have the specifications for the pier, the same specifications
17 that were furnished to the Army Engineers; and that pier would
18 be concrete piers extending 120 feet into the bay, with wood
19 railings and wood floor. There is another pier right next to
20 us, (I have an aerial map here) of about the same length put
21 up by the person who owns the adjoining parcel of land on the
22 south. This is the aerial map of the area and this is Teachers
23 Beach -- this area right in here. (Indicating on map) Right
24 next to it on the south a man named Heekes, who owned that
25 land, put up that pier, very similar to the one - - you have
26 specifications on that particular pier.

1 Now, we come down to - - I have filed an application
2 under the provisions of Section 6503 for a permit to construct
3 a private recreational pier for the use of a littoral land-
4 owner. The littoral landowner in this case is not a private
5 person or an individual, but it is a nonprofit corporation.
6 The attorney for the Commission has said that in his opinion
7 this section applies to "a" -- he emphasizes the word "a" --
8 littoral landowner; in other words, one individual person,
9 I think he means. I think this is a very strained construc-
10 tion. I think the Legislature intended by the enactment of
11 this section in 1955 to permit just exactly such a use as
12 this.

13 For example, you have to be realistic about these
14 things, and practical. Supposing that this Commission turns
15 us down and we are not able to build one pier there, 120 feet
16 in length. Tomales Bay is very shallow there. It has to be
17 120 feet to reach out into any water at all. If we were turned
18 down, there could be no question but what we could subdivide
19 this common land into twelve pieces, little slivers of land
20 running out into the bay, and we could come back to the Com-
21 mission and say we want twelve permits to build twelve piers
22 at intervals of forty feet or so. The Commission would have
23 nothing to do but to grant this. It would be clearly under
24 the terms of your counsel's construction of this section that
25 such a thing would be all right; and I say that we have to be
26 realistic about these things, and that for this reason, and to

1 save eleven other piers being built there, I think that the
2 Commission should grant the permit.

3 Thank you. Any questions, Mr. Chairman?

4 MR. GOLDIN: Mr. Macomber, my name is Howard Goldin.
5 I am an Assistant Attorney General, and for informational pur-
6 poses I'd like to ask one question: Under your organizational
7 setup, is it possible for any of the twelve individual lot
8 owners to sell his individual lot and retain his interest in
9 the commonly owned Parcel A?

10 MR. MACOMBER: It is possible but it requires - -
11 Let me explain it this way: The twelve individuals own
12 individually the fee title to these particular twelve lots --
13 I'll call them house sites; but the common lands are owned by
14 the corporation and that corporation in turn has issued twelve
15 membership certificates of a value of one dollar each.

16 In order to transfer your membership certificate,
17 you must obtain at a regular board of directors' meeting of
18 these twelve persons - - you must obtain the consent of the
19 majority of those persons. As a practical matter, it would be
20 impossible to secure the consent of those people if you sold
21 your lot to one person and tried to keep your membership from
22 being transferred because the whole purpose of this thing is
23 to preserve intact and as a beautiful site - - there are few
24 sites like this in California - - a private beach with twelve
25 persons owning it; and the whole purpose of it would be
26 thwarted if they permitted such a thing; but technically, yes

1 MR. CHAMPION: What I can't understand - - How can
2 you prevent somebody from holding on to the membership?

3 MR. MACOMBER: The transfer is under the rule of the
4 majority of the directors; so if they sold the lot, the lot
5 would not permit the person who bought that lot to use the
6 beach facilities at all -- they would be a trespasser, and
7 the lot is useless for recreational purposes if you intend to
8 use the beach; you could not use the beach if you bought the
9 lot.

10 MR. CHAMPION: But that isn't the question Mr.
11 Goldin asked. He asked if one of them sold a lot, could he
12 still hold his interest in Parcel A.

13 MR. MACOMBER: Technically, yes; practically, no.

14 MR. HORTIG: Mr. Chairman, in view of the fact that
15 the problem before the Commission is clearly one of a resolu-
16 tion of interpretation of the statutes and which form of
17 lease offer authorization does apply under the statutes --
18 either the recreational pier permit which Mr. Macomber is
19 seeking, or the commercial type of lease of tide and submerged
20 lands which the Commission can authorize -- I renew my recom-
21 mendation that this matter be resubmitted to the Attorney
22 General's Office for report to the Commission.

23 MR. MACOMBER: I have no objection, Mr. Chairman.

24 MR. GRANSTON: If there is no objection, that will
25 be the disposition of the matter. When you report back, will
26 you comment on the specific points he made?

1 MR. GOLDIN: Most certainly.

2 MR. CRANSTON: Thank you, Mr. Macomber.

3 Item (e) Texaco Inc. -- Deferment of drilling re-
4 quirements under Oil and Gas Lease P.R.C. 2206.1, Santa Bar-
5 bara County, to April 2, 1963, due to limited market outlet
6 for gas currently, and to provide additional time needed to
7 study geological, geophysical, and reservoir engineering
8 information.

9 That completes the item under Classification 4 and
10 with the action already taken on (d), a motion is in order on
11 the remaining items.

12 GOV. ANDERSON: So move.

13 MR. CHAMPION. Second. I'd like to ask a question.
14 Which parcel is that under item (e)?

15 MR. HORTIG: It's the fifth most easterly parcel
16 from Point Conception, Mr. Champion. It is one of the
17 earlier leases issued. The number of wells that already have
18 been drilled have already been in excess of the minimum re-
19 quired under the lease requirements.

20 MR. CRANSTON: Approval of these items has been
21 moved and seconded and is unanimously adopted.

22 MR. HORTIG: I should like the record to reflect
23 that when I said "in excess of the minimum lease requirements"
24 this is not for all time; this is as of the present time of
25 performance.

26 MR. CRANSTON: Item 5 -- City of Long Beach

1 approvals required pursuant to Chapter 29/36, First E.S.:

2 (a) Prior approval for expenditure of \$27,737.60
3 by City of Long Beach from its share of tideland oil revenue
4 for purchase of two four-wheel-drive heavy duty dump trucks
5 for maintenance of beach areas, subject to adjustment if it
6 is later determined that percentage of area allocable to
7 tideland beaches is lesser or greater than 88%.

8 (b) Approval of requests submitted by Long Beach
9 Board of Harbor Commissioners for locations of injection inter-
10 vals of Wells FR-106 and FR-107, by Richfield Oil Corporation,
11 pursuant to provisions of Fourth Agreement Supplementing
12 Drilling and Operating Contract dated March 12, 1947, Parcel
13 "A". Frank?

14 MR. HORTIG: Mr. Chairman, with respect to item (b)
15 this is the one contract, by amendment which was desired by
16 the City of Long Beach, which was approved by the State Lands
17 Commission. The other parties to the contract desired that
18 amendment require in the future State Lands Commission approval
19 and not merely staff approval with respect to mechanical and
20 operating features, such as the manner and location of com-
21 pleting these certain injection wells. So this type of pro-
22 posal is brought to the Commission the minimum number of times.
23 The vast majority of these well approvals are authorized to
24 be and are reviewed and granted by the staff. This is the
25 exceptional case.

26 MR. GRANSTON: You recommend approval?

1 MR. HORTIG: We do recommend approval.

2 MR. CRANSTON: Motion is in order.

3 GOV. ANDERSON: What limitations are there on how
4 far away from tidelands we go to put these injection wells and
5 still be under our jurisdiction?

6 MR. HORTIG: Actually, we are not away from tidelands
7 under these proposed wells.

8 GOV. ANDERSON: I understand these are on tidelands,
9 but can we go out of tideland areas to inject the water? In
10 this whole operation, are we limited to tidelands?

11 MR. HORTIG: I can foresee reservoir conditions where
12 this might be a desirable technical recommendation, but we
13 have never had that question, therefore we have not explored
14 whether the Commission would have legal authority.

15 GOV. ANDERSON: That was my question, because in
16 order to protect a particular area we might want to go out
17 in areas outside of our area.

18 MR. HORTIG: The only way we can accomplish this --
19 and this is particularly applicable to Long Beach -- we could
20 drill a series of fence wells, or actually construct a tid -
21 land fence on the upland boundary, to assure transport of the
22 oil reservoir from the tidelands.

23 GOV. ANDERSON: If we do that and repressure and
24 find we still push out beyond our boundary, isn't it conceiv-
25 able we might want to go outside that fence line you are
26 talking about?

1 MR. HORTIG: There could be circumstances - -
 2 This is not the case in Long Beach, because the programs have
 3 been designed not to push out beyond the boundary and have
 4 a fence at the boundary today within practical limitations.

5 GOV. ANDERSON: I'll move.

6 MR. CHAMPION: Second.

7 MR. CRANSTON: Approval of items in Item Classifi-
 8 cation 5 is moved, seconded, and adopted unanimously.

9 Item 6 -- Land items -- sales, selections, et cetera.
 10 All land-sale items here presented have been reviewed by all
 11 State agencies having a land acquisition program and, unless
 12 otherwise indicated, no interest has been reported by those
 13 agencies in any of the lands proposed for sale.

14 (a) Sales of vacant Federal lands: (1) Approval of
 15 selection of 1,746.70 acres San Bernardino County, and authori-
 16 zation for sale to Riverside Cement Company at appraised price
 17 of \$120,908.30. Confirmation of 62-day extension granted to
 18 applicant within which to deposit additional funds to meet
 19 the appraised value.

20 (b) Selection of vacant Federal lands on behalf of
 21 the State -- Applicants do not desire to proceed with acquisi-
 22 tion of the lands: (1) Authorization to cancel application of
 23 Raymond Joseph Krantz and Leland LeRoy Westphall to purchase
 24 115.80 acres in Kern County and to refund deposits less ex-
 25 penses incurred to date of cancellation; approval of selection
 26 of said lands on behalf of State.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

(c) Proposed purchase (exchange) of Federal land, Trinity County: (1) Authorization for certification to Governor that it is to advantage of State to exchange with the United States 45.23 acres of school lands in Trinity County for 31.21 acres of Federal lands, and for preparation of appropriate instrument of conveyance for execution by the Governor. Upon acquisition from Federal Government, lands to be offered for sale in accordance with rules and regulations. (Pursuant to application of County of Trinity).

GOV. ANDERSON: I'd like to go back to that first item and ask a question. The sale of this property to the Riverside Cement Company -- Does that include all mineral rights, too?

MR. HORTIG: No sir, it does not include minerals. Minerals are reserved to the State. This is the surface only.

GOV. ANDERSON: In other words, this is not why they are going to be taking this mountain off there?

MR. HORTIG: No sir; unless subsequently there were development of known mineral resources beneath these lands, which then could only be developed pursuant to a prospecting permit or lease issued by the State Lands Commission.

GOV. ANDERSON: In other words, if one of these mountains turned out to be something they want, they would still have to come back?

MR. HORTIG: Definitely leasable only.

MR. GRANSTON: Motion is in order to approve.

1 MR. CHAMPION: Move.

2 GOV. ANDERSON: Second.

3 MR. CRANSTON: Moved, seconded and unanimously
4 approved.

5 Item 7 -- Index of lands under the jurisdiction of
6 the United States, pursuant to Section 127, Government Code:
7 Authorization for Executive Officer to execute supplementary
8 agreement to Agreement LC-175, dated May 23, 1960, between
9 Remington Rand and State Lands Commission, effective Septem-
10 ber 1, 1962, to increase rate payable for Records (Project)
11 Supervisor from \$48.96 to \$54.03 per day, and to increase rate
12 payable to Assistant Records Supervisor from \$40.00 to \$44.14
13 per day.

14 Motion is in order to approve.

15 MR. CHAMPION: I'll move.

16 GOV. ANDERSON: I'll second it.

17 MR. CRANSTON: Moved, seconded and unanimously
18 adopted.

19 Item 8 - Mineral Extraction Lease Offer, Owens Lake,
20 Inyo County -- Authorization for Executive Officer to offer,
21 pursuant to competitive public bidding, 43.35 acres of land
22 in bed of Owens Lake, at minimum annual rental of \$2.50 per
23 acre and at royalty rate on all minerals or mineral products
24 extracted in the sum of fifty cents per ton or two per cent of
25 weighted average sales price per ton f.o.b. the extraction
26 plant, whichever is the greater, on the aggregate on all

1 minerals and mineral products extracted from the premises and
2 sold. Application of Guy L. Weatherly.

3 Motion is in order. (motion and second inaudible
4 to reporter). Approval is moved, seconded and made unani-
5 mously.

6 9 -- Termination of Oil and Gas Lease, Santa Barbara
7 County -- Determination that as a result of failure of lessee
8 B. D. Owens, to perform and observe terms and conditions of
9 oil and gas lease extension and renewal P.R.C. 773.1, no
10 further extension of the lease should be authorized after
11 September 30, 1962. Frank?

12 MR. HORTIG: September 30, 1962 will be the nominal
13 expiration date, failing the granting of an extension by the
14 State Lands Commission. In view of the fact that the lease
15 has not produced oil and gas since 1958, it is one well leased
16 which remains with us since issuance in 1932 containing only
17 four acres immediately adjoining the shore, it is recommended
18 that in view of the fact that the same general area will prob-
19 ably be included in the recommendation for a parcel to be
20 leased by the Commission in the future inclusive of this same
21 area, that no further renewal and extension of this lease be
22 granted. The lessee was notified that the Commission would
23 consider this action today.

24 MR. GRANSTON: He apparently has no interest in
25 maintaining it.

26 MR. HORTIG: We have had no response from him.

1 MR. STEROTY: Mr. Chairman, does the lessee have
2 the responsibility to remove the equipment?

3 MR. HORTIG: The lessee has the responsibility both
4 to plug and abandon the well and remove the surface equipment.
5 The plugging and abandonment are covered by a surety bond
6 filed with the Division of Oil and Gas; the removal of the
7 surface equipment is also covered by a surety bond filed with
8 the State Lands Division.

9 GOV. ANDERSON: Moved.

10 MR. CHAMPION: Second.

11 MR. CRANSTON: Approval is moved, seconded, made
12 unanimously.

13 Item 10 -- Consent to assignment of an undivided
14 one-half interest

15 MR. HORTIG: Mr. Chairman, the Item 10 you were
16 just starting to read was drafted on assurances by the appli-
17 cant's attorney that all necessary documentation to qualify
18 the assignees to hold the lease would be in the Lands Division
19 offices prior to Commission meeting. Our latest report is now
20 it appears there will be a two or three week delay. There-
21 fore, it is requested no action be taken at this time.

22 MR. CRANSTON: With that objection, Item 10 will be
23 put over.

24 Item 11 -- Approval of location of and authorization
25 for Huntington Harbour Corporation to construct a 52-foot-wide
26 reinforced concrete three-span bridge having a mid-channel

1 horizontal clearance of fifty feet and a minimum vertical
2 clearance of sixteen feet about mean lower low water, over a
3 named arm of Sunset Bay, Orange County, pursuant to provisions
4 of Agreement P.R.C. 2818.1 authorized by the Commission on
5 November 22, 1961, for exchange of State lands for other lands
6 owned by Huntington Harbour Corporation.

7 MR. CHAMPION: Move approval.

8 GOV. ANDERSON: This is a public bridge, open to the
9 public?

10 MR. HORTIG: It will be.

11 GOV. ANDERSON: This will be owned privately, but
12 open to the public?

13 MR. HORTIG: It will be part of the transportation
14 system into and out of the State highway into the Huntington
15 Harbour area, which is under development currently at Seal
16 Beach.

17 GOV. ANDERSON: Will this bridge be operated by the
18 Huntington Harbor Corporation?

19 MR. HORTIG: The Huntington Harbor Corporation will
20 be responsible for maintenance of the bridge.

21 MR. STEROTY: The bridge will remain open to the
22 public?

23 MR. HORTIG: That's correct.

24 MR. GRANSTON: Approval has been moved and seconded
25 and made unanimously.

26 Item 12 -- Confirmation of transactions consummated

1 by Executive Officer pursuant to authority confirmed by the
2 Commission at its meeting on October 5, 1959.

3 MR. HORTIG: These items consisted of six renewals
4 of extensions of previously authorized exploration permits,
5 Mr. Chairman.

6 MR. CRANSTON: No action is necessary.

7 GOV. ANDERSON: Moved.

8 MR. CHAMPION: Seconded.

9 MR. CRANSTON: Moved, seconded, approved unanimously.

10 Item 13 -- Informative only. No Commission action
11 required.

12 MR. HORTIG: That is the report on the status of
13 Commission litigation. The agenda indicates no changes in the
14 status. A matter of particular interest to the Commission at
15 this time is that the first week in October is bearing down
16 on us, at which time there will be the first action in Court
17 on the case U. S. versus Anchor Oil, relating to the United
18 States Government's contentions as to the responsibility for
19 subsidence damage to Federal installations in the Long Beach
20 Harbor area. The Assistant Attorney General who is going to
21 carry the battle for us is sitting at the table, if you feel
22 there is anything at this time he can add to the report.

23 MR. CHAMPION: We don't want to distract him.

24 MR. CRANSTON: Is that all we have on the calendar?
25 Then we come to the supplemental calendar. Is 23 the only one?

26 MR. HORTIG: Yes.

1 MR. CRANSTON: We have Supplemental Calendar Item
 2 No. 23, which is acceptance of bid and award of oil and gas
 3 lease, tide and submerged lands, Santa Barbara County -- W. O.
 4 4480, Parcel 8A, P.R.C. 2920.1. Frank?

5 MR. HORTIG: As the Commission will recall, on
 6 August 9, 1962 four bids were received in response to author-
 7 ized published notice of intention of the Commission to enter
 8 into a lease for the extraction of oil and gas from the desig-
 9 nated 4,250.14-acre parcel of tide and submerged lands in Santa
 10 Barbara County.

11 All bids submitted were reviewed by the staff as to
 12 technical sufficiency and economic factors; and the Office of
 13 the Attorney General reviewed the highest bid, that submitted
 14 by Standard Oil Company of California and Shell Oil Company
 15 in a joint bid, and determined:

16 (a) That the Commission has complied with the pro-
 17 cedural requirements of the law; and

18 (b) That the bid submitted conforms with the bid
 19 requirements specified in the proposal of the Commission and
 20 the applicable provisions of law and rules and regulations of
 21 the Commission.

22 Therefore, it is recommended that, in accordance with
 23 the provisions of Division 6 of the Public Resources Code, the
 24 Commission accept the highest qualified bid made by the Shell
 25 Oil Company and Standard Oil Company of California on August 9,
 26 1962, and authorize the Executive Officer to issue an oil and

1 gas lease to the said joint bidders for the 4,250.14-acre
2 parcel of tide and submerged lands designated as W. O. 4480,
3 Parcel 8A, P.R.C. 2920.1 in Santa Barbara County, as detailed
4 in the published notice of intention published July 20 and
5 July 25, 1962. The cash bonus payment in consideration of
6 issuance of the lease is to be \$14,080,713.82, as offered in
7 the bid.

8 MR. CRANSTON: Motion is in order to approve the
9 acceptance of the bid in accordance with the staff recommen-
10 dation.

11 GOV. ANDERSON: Move.

12 MR. CHAMPION: Second.

13 MR. CRANSTON: Moved, seconded, approved unanimously.

14 I would like to ask about one other matter; that is
15 the State lands management program, which is presently being
16 held up due to Senate action requesting that we hold it up.
17 As I understand it, I don't think this has been referred to
18 any committee and I think we should discuss what we can do to
19 speed up this matter. Frank, what is the current status?

20 MR. HORTIG: The current status is exactly as you
21 outlined it, Mr. Chairman. Might I suggest, in keeping with
22 the proprieties in view of the reference of the resolution
23 requesting inaction by the State Lands Commission, that the
24 Commission might direct that I forthwith level it at the re-
25 quest of the Lands Commission -- that which I have done pre-
26 viously at my own level -- and ask the Senate Committee to

1 expedite this matter.

2 MR. CHAMPION: I am concerned. I think we ought to
3 show a Senate resolution all due respect. However, it seems
4 to me we ought to explore with the Senate Rules Committee, or
5 whatever committee possible, the proceeding giving them an
6 opportunity to review this and if they want to enact laws and
7 change this we will be glad to cooperate then; but we should
8 not delay this until another legislative session. There is
9 money involved, there is time involved, and there are also
10 land management matters that ought to be gone into immediately;
11 and I think we ought to call this to their attention and try
12 to work out an agreement to proceed without waiting for a
13 lengthy study by the Senate committee.

14 MR. HORTIG: The distinction I was making in my sug-
15 gession, Mr. Chairman, which was in accordance with what you
16 suggested, was that I might be able to report that the State
17 Lands Commission as a commission has directed that I seek to
18 have them expedite this matter -- that I, not only as the
19 Executive Officer, request it.

20 MR. CHAMPION: Beyond that, we want to proceed now
21 before study; not at the expiration of the study, but we would
22 like to proceed. We would be very happy to cooperate with
23 them on their study, but we have responsibilities here which
24 we cannot meet.

25 MR. HORTIG: We will certainly report this to both
26 the Rules Committee and the subject committee to whomever this

1 may be assigned.

2 MR. CRANSTON: Is there any necessity of our taking
3 action on this in the north rather than south, if we choose
4 to proceed? The next meeting is scheduled for Los Angeles
5 and it seems to me we might consider placing this on the
6 agenda for the next meeting of the Lands Commission and advise
7 those interested in the Senate that unless our position is
8 changed by communication and consultation with them that we
9 propose to proceed with this at the next meeting of the Lands
10 Commission; but make plain to them that any action we will
11 take we will not consider final; if they wish to consider
12 the matter and make suggestions for changes in our policy,
13 we will give their recommendations all consideration.

14 MR. HORTIG: The combination of both suggestions
15 is

16 GOV. ANDERSON: What is their attitude to sugges-
17 tions made in your own capacity?

18 MR. HORTIG: It will be referred to a committee.

19 GOV. ANDERSON: When?

20 MR. HORTIG: No. There are still other resolutions
21 adopted at the special session as well as the budget session
22 that have not been assigned to the Rules Committee for study
23 and, actually, this resolution was adopted on the last day
24 of the special session; therefore, in line of assignment it
25 is pretty well down on the totem pole.

26 MR. CRANSTON: Will you proceed as indicated? 1

1 will be in consultation with you on the matter.

2 Let's proceed at the present time to the next item
3 on the agenda, which is the next meeting?

4 MR. HORTIG: Yes, sir.

5 MR. CRANSTON: Is there anything else to come before
6 the Commission at this time?

7 MR. HORTIG: Nothing, other than the confirmation
8 of the next meeting of the Commission.

9 MR. CRANSTON: Confirmation of date, time, and
10 place of next Commission meeting -- now scheduled for Thursday,
11 September 27, 1962, at 10 a.m. in Los Angeles.

12 MR. HORTIG: In view of the fact that this was the
13 originally designated date before the prior meetings were re-
14 organized by the Commission, the question is whether the Com-
15 mission would prefer to hold a meeting again in Sacramento.

16 MR. CRANSTON: On that day?

17 MR. HORTIG: On that same date.

18 GOV. ANDERSON: They sent this to our office.
19 We've got this scheduled in accordance with your suggestion.

20 MR. CRANSTON: It's scheduled that way presently.
21 You better leave it that way.

22 MR. HORTIG: Meetings were alternated, as you gentle-
23 men know, between Los Angeles and Sacramento; and under the
24 normal situation it would have again been time to meet in
25 Los Angeles, except you have interposed two other Los Angeles
26 meetings.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

MR. CHAMPION: I think everybody here is scheduled on this date for Los Angeles.

MR. CRANSTON: The meeting will then be scheduled September 27th, here, at ten o'clock.

If there is no other business before us, we now stand adjourned.

ADJOURNED 10:50 a.m.

CERTIFICATE OF REPORTER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing twenty-nine 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 August 28, 1962.

DATED: Los Angeles, California, August 29, 1962.

Louise H. Lillico