TRANSCRIPT OF MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA
DECEMBER 6, 1962

*********

PARTICIPANTS:

THE COMMISSION:

Hon. Alan Cranston, Controller, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Daniel M. Luevano, Chief Deputy Director,
Department of Finance, appearing
on behalf of Hon. Hale Champion,
Director of Finance

Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Deputy Attorney General
<table>
<thead>
<tr>
<th>ITEM CLASSIFICATION</th>
<th>ITEM ON PAGE OF CALENDAR</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1 Call to Order</td>
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<td>1</td>
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<tr>
<td>2 Confirmation of minutes</td>
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<td></td>
<td>meetings August 28, September 27 and October 25, 1962</td>
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<td>3 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE</td>
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<tr>
<td>(a) State of California, Division of Highways</td>
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<td>(b) &quot;</td>
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<td>(c) Delta Tel. &amp; Teleg. Co.</td>
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<td>(d) North San Mateo Sanitation District</td>
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<td>(e) City of Oceanside</td>
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<td>(f) San Diego Gas &amp; Elec. Co.</td>
<td>30</td>
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<td>(g) County of Stanislaus, Dept. Public Works</td>
<td>2</td>
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<tr>
<td>(h) U.S. Army Corps of Eng.</td>
<td>21</td>
<td>10</td>
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<tr>
<td>MOTION ON CLASSIFICATION 3</td>
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<td>2</td>
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<td>4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE</td>
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<tr>
<td>(a) John W. &amp; Myrtle Hugus</td>
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<td>(b) Howard J. &amp; Ruth McQuigg</td>
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<td>(c) L. W. Mehaffy, Sr.</td>
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<td>(d) Northern Calif. Plywood</td>
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<td>(e) Pacific Gas &amp; Elec. Co.</td>
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<td>(f) Phillips Petroleum Co.</td>
<td>29</td>
<td>18</td>
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<td>(g) Richfield Oil Corp.</td>
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<td>20</td>
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<th>ITEM CLASSIFICATION</th>
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<tbody>
<tr>
<td>4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE continued</td>
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<td>(h) Richfield Oil Corp.</td>
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<td>(i) Signal Oil and Gas Co.</td>
<td>28</td>
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<td>(j) Standard Oil Co. of Calif.</td>
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<td>(k) Santa Catalina Isl. Co.</td>
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<td>(l) Texaco Inc.</td>
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<td>MOTION ON CLASSIFICATION 4</td>
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<td>5 CITY OF LONG BEACH</td>
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<td>(a) Pier 2, Back Area Rehab.</td>
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<td>(b) Roads &amp; Sts., Pico Ave. RR, 3 St. to 8th St.</td>
<td>27</td>
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<td>6 Exchange of State sovereign lands, San Joaquin County;</td>
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<td>(a) Exchange with George Speckman et ux, 0.37 ac.</td>
<td>23</td>
<td>30</td>
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<td>(b) Approval of amendment of Lease PRC 2856.1</td>
<td>24</td>
<td>36</td>
<td>12</td>
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<td>(c) Approval of assignment of and reassignment of above lease</td>
<td>25</td>
<td>39</td>
<td>12</td>
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<tr>
<td>7 Compensatory Royalty Agreements:</td>
<td></td>
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<tr>
<td>(a) P.R.C. 255.1, Kirby Hill (Standard Oil)</td>
<td>1</td>
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<td>(b) Execution with Standard Oil of agreement covering lands in Walnut Grove area, San Joaquin and Sacramento counties</td>
<td>6</td>
<td>41</td>
<td>13</td>
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<th>ITEM NUMBER</th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td>Provisions re geophysical exploration and geological survey operations seaward and landward of an &quot;operations line.&quot;</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td><strong>MOTION ON CLASSIFICATION 8</strong></td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Proposed Outer Continental Shelf oil and gas leases U.S. Dept. of Interior</td>
<td>26</td>
<td>45</td>
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<tr>
<td></td>
<td><strong>MOTION ON CLASSIFICATION 9</strong></td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Issuance of lease to Guy L. Weatherly for minerals to be extracted from brine Owens Lake, Inyo County</td>
<td>15</td>
<td>54</td>
</tr>
<tr>
<td>11</td>
<td>Confirmation of transactions consummated by Executive Officer: Mobil Oil Pauley Petroleum Phillips Petroleum Recreational permits Standard Oil Co. of Calif.</td>
<td>3</td>
<td></td>
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<tr>
<td>12</td>
<td>Informative Only - Report on status of major litigation</td>
<td>31</td>
<td>60</td>
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<tr>
<td>13</td>
<td>Confirmation of date, time and place next meeting</td>
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OFFICE OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA
3:10 p.m.

MR. CRANSTON: The meeting will please come to order. First item is confirmation of minutes of meetings of August 28, September 27, and October 25, 1962.

MR. LUEVANO: I will move confirmation.

GOV. ANDERSON: Second.

MR. CRANSTON: Moved and seconded. If there are no corrections or omissions, they stand approved as submitted.

Item 3 -- Permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute:

Applicant (a) State of California, Division of Highways -- Right-of-way easement over submerged lands of the Sacramento River, Shasta County, for State highway route;

(b) State of California, Division of Highways -- Right-of-way easement over submerged lands of Klamath River and a portion of Taylor Island, Del Norte County, for State highway route;

(c) Delta Telephone and Telegraph Company -- Easement over 0.324 acre tide and submerged lands of Sacramento River near Freeport Bridge, Sacramento and Yolo counties, for submarine telephone cable;

Item (d) North San Mateo Sanitation District -- Amendment of legal description of life-of-structure permit, P.R.C. 1364.9, tide and submerged lands of the Pacific Ocean in City and County of San Francisco, to provide 2500-foot instead of 1500-foot extension of existing right-of-way;
(e) City of Oceanside -- Amendment of legal description of lands involved in 49-year permit P.R.C., 2527.9 covering tide and submerged lands of Gulf of Santa Catalina at the City of Oceanside, San Diego County, to correctly describe lands involved;

(f) San Diego Gas & Electric Company -- Permit to dredge approximately 102,782 cubic yards of material for construction of a dike, within 1.66-acre area of tide and submerged lands granted to the City of Chula Vista.

(g) County of Stanislaus, Department of Public Works -- 49-year bridge easement over 1.41 acres tide and submerged lands of Tuolumne River near Waterford, Stanislaus County, in connection with relocation of certain roads in the area;

Item (h) U. S. Army Corps of Engineers -- one-year permit to make test borings on unleased sovereign State lands of Owens Lake, Inyo County, in the interests of national defense.

Motion is in order.

MR. LUEVANO: I'll move approval.

GOV. ANDERSON: Second.

MR. CRANSTON: Approval has been moved and seconded, and is made unanimously.

Item 4 -- Permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission:
Applicant (a) John W. Hugus and Myrtle Hugus -- Approval of assignment from Jesse F. Thomas and Iris E. Thomas of Lease P.R.C. 693.1 covering Corte Madera Ark Site No. 11A on Corte Madera Creek, Marin County;

(b) Howard J. McQuigg and Ruth McQuigg -- 10-year lease covering Lot 34 for cabin site, Fish Canyon, Los Angeles County; annual rental $65;

Item (c) L.W. Mehaffy, Sr. -- Termination of Lease P.R.C. 2738.1 as of October 8, 1962, and acceptance of quitclaim, tide and submerged lands of Taylor Slough, Contra Costa County, with prepaid lease rentals to apply to any receivables reflected on the books of the State Lands Division. Lessee's plans for construction of a boat-berthing facility did not materialize;

Item (d) Northern California Plywood, Inc. -- Termination of Lease P.R.C. 1787.1 as of October 3, 1962, and acceptance of quitclaim deed, tide and submerged lands of Klamath River, Del Norte County; logging operations in area concluded;

Item (e) P. G. and E. Company -- 15-year easement for 220-kilovolt tower lines, with three ten-year renewal provisions, covering 21.02 acres tide and submerged lands of Carquinez Strait, Contra Costa County, to replace Easement P.R.C. 326.1 which expired May 12, 1962 -- annual rental $580.90;

Item (f) Phillips Petroleum Company -- Deferment
of drilling requirements under Oil and Gas Lease P.R.C. 226, Santa Barbara County, through August 10, 1963, in order to accumulate necessary reservoir performance data and to continue geologic studies.

GOV. ANDERSON: Could we get a comment on that?

Could you explain that, Frank?

MR. HORTIG: Yes, Governor. As you know from the agenda item, this is one of the leases in the series in western Santa Barbara County that heretofore have had problems with respect to development tests in view of the lack of pipeline capacity for transporting the gas which the existing developed leases were capable of producing, but did not have any manner of transportation to the nearest gas plant or storage facility.

We are happy to report that as of November 19th of this year, the Pacific Gas Lighting Company's new pipeline facility was tested; tests were completed, and the line was immediately put into operation and is currently running at an average of approximately sixty-two million cubic feet of gas a day, which is already twice the capacity of the previous system which this line parallels, as well as the new line extending farther westward to go past all these leases in Santa Barbara County in which we have heretofore recommended deferment of drilling requirements and, therefore, the development of further productive capacity, until such time as this new pipeline would be available.
While the new pipeline is now available, it is just available – as you see from the date of November 19th – and further development programs by Phillips Petroleum on this lease would properly require extensive testing of the existing wells in order to determine the reservoir capacities, something of the type of test which they were not able to conduct before the existence of the pipeline.

So now a program is going forward to conduct these tests; and it is felt with these tests and the additional geologic data which has been accumulated, a new program of further development on this lease can be designed within the next six months, which is the period of deferment recommended in this item.

GOV. ANDERSON: Now, we gave them one deferment to February 10th?

MR. HORTIG: That is correct.

GOV. ANDERSON: And they need an additional six months beyond the other one we have given them?

MR. HORTIG: The last deferment was through February 10th and it is being recommended beyond next February 10th to August 1963 because of the time period required to conduct these tests, which are feasible for the first time because this new pipeline is now in operation.

GOV. ANDERSON: Why do we give an extension time so early, in advance of the expiration of the first deferment?

MR. HORTIG: At first, it was not certain whether
there would definitely be a December meeting of the Lands Commission and consideration at the January meeting would have brought the Lands Commission consideration very close to the expiration of the previous deferment; and now, with the existence of this pipeline and the test program which is already under development for its utilization, it is realized that the test program period is going to have to extend beyond the period of the deferment heretofore granted.

GOV. ANDERSON: I guess that's satisfactory.

MR. CRANSTON: Item (g) Richfield Oil Corporation — Deferment of drilling requirements under Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, Santa Barbara County, through June 30, 1963 pending approval of unit agreement.

Item (h) Richfield . . . . .

GOV. ANDERSON: Can I get a brief explanation there?

MR. HORTIG: Yes, sir. By reference to the map, Governor, following the agenda item, following page 20, you will see that there are two leases on which, after a large expenditure of exploration capital over the years, the lessee has determined there is an oil and gas deposit — which he has developed and from which production is taking place; but this deposit extends over both leases. This also limits the only area that will ever be produced from these two leases.

Rather than return to the Lands Commission and seek deferment of drilling requirements on one lease or the other
lease, inasmuch as two sets of leases are not justified by
the nature of the deposit development, it has been suggested
and the Attorney General’s Office and the State Lands have a
method of combining the two leases into one lease form to
bring back to the Commission for subsequent approval.

During this time of study of the actual language
of the lease form to replace these two leases that can be
brought to the Commission, it is necessary that the lessee
be given a deferment on the double requirement of the two
leases and that will make further deferments of production
unnecessary.

GOV. ANDERSON: In June we gave a deferment to
December 31st?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: This is the second ....

MR. HORTIG: This is actually one of a long series
of deferments. The previous deferments were on the basis
that there had been no actual development and there was
still exploration going on, on the leases.

This is the second on the leases since it appeared
to be advisable to consolidate the two leases into one docu-
ment; and both the State Lands’ and the Attorney General’s
Office having had other projects in addition to this one,
we just simply haven’t completed the paper work before this
first one expired.

GOV. ANDERSON: In a few months will there be
another deferment?

MR. HORTIG: No, sir. As the next step in this action and before the expiration of the deferment period being recommended here today, whatever documentation is required on the two leases will be brought to the Commission for consideration and approval; and after such approval, this will eliminate the need for any further deferment of drilling requirements because the undrilled areas will be excluded, and the drilled and developed areas, which will not require further drilling, will be the only areas remaining in the unit agreement.

GOV. ANDERSON: All right.

MR. CRANSTON: Item (h) Richfield Oil Corporation -
Deferment of drilling requirements under Oil and Gas Lease P.R.C. 1466.1, Rincon Oil Field, Ventura County, for period January 1 through June 30, 1963, in order to continue studies to determine feasibility of drilling additional well into leased land from other locations. Do you want to comment on that?

MR. HORTIG: The basic similarity is the request for deferment. The reason is: You will recall, Governor, from visiting the Richfield Island at Rincon, the maximum area of the lease which could be developed by slant drilling from that island has now been developed. Also, this is the lease which is the site of the first ocean-floor-completed oil well that we had in California.
From a combination of the development record on the island and the ocean floor completion, with some later geophysical data, inasmuch as it is not feasible to reach any more of the leased area from the island, new locations will have to be selected -- if any are economically justifiable -- for further ocean floor completions or the construction of another island.

At this time we are recommending that Richfield be given a six-month deferment of further drilling requirements, although they will continue to operate and produce from the fifty-one, I believe, wells they have on the lease at the present time. Let me correct that: The forty-six wells drilled heretofore can drain adequately all that portion of the producing structure that can be developed economically from the drillsite; and while there is a flat requirement for starting new wells as the last well has been completed according to the calendar, in this circumstance it is going to require extensive engineering to determine the optimum location for further wells on the island site or whether a new island site is justified.

It is to permit this study and the development of this program that a deferment of the drilling requirements -- not of the operating requirements -- is requested. The lease will continue to produce oil and pay royalties during this recommended deferment period, and the deferment is requested only as to the drilling requirements.
Conversely, if the Commission felt that the deferment should not be granted and there were a lease obligation on the lessee to drill, I don't believe that the lessee today could tell, without being arbitrary, where to drill the next well, nor could the Lands Division determine this was an optimum location to drill the next well, until the completion of these studies.

MR. CRANSTON: Item (i) Signal Oil and Gas Company -- Acceptance of quitclaim and termination of Oil and Gas Lease P.R.G. 1551.1, Huntington Beach, Orange County, effective November 19, 1962, pursuant to Section 5 of the lease. What is that, Frank -- an area where they did not find oil?

MR. HORTIG: In 1955 three leases were awarded, the first leases that were ever awarded by the Lands Commission pursuant to cash bonus bids, at the east end of Huntington Beach. Two of the leases were quitclaimed approximately three or four years ago. The last remaining, third lease, is the subject matter of this quitclaim here today.

The lessees in the interim have paid the annual rental and have submitted an annual, and later semi-annual, request for deferment of further drilling requirements. This is the one that probably had the longest single chain of deferments of drilling requirements because, actually, forcing the drilling was of no foreseeable advantage to the State and the lessee was paying $584 annual rental.

The lessee has now decided that the future
prospects in this area do not justify the payment of the $584 annual rental.

Item (j) Standard Oil Company of California — Approval of assignment to Shell Oil Company of one-third interest of Standard in portion of Oil and Gas Lease P.R.C. 2199.1, Santa Barbara County, pursuant to Section 4 of the lease.

(k) Santa Catalina Island Company — Approval of sublease under Lease P.R.C. 185.1 to Southern California Edison Company, of 0.46 acre tide and submerged land at Pebbley Beach, Santa Catalina Island, Los Angeles County, for use as a wharf site.

Item (l) Texaco Inc. — 15-year subsurface crossing easement, 19.2 acres of land below a depth of 500 feet below bottom of Cache Slough, Solano County; annual rental $150; to drill wells through State lands in order to complete wells on lands other than lands included in the easement.

Motion is in order.

GOV. ANDERSON: What was this last one?

MR. HORTIG: Governor, the geography and surface facilities of this area development on privately owned lands leased by Texaco Inc. indicate that the most desirable procedure for drilling a well is to locate on one side of Cache Slough, drill under Cache Slough and into the private lands leased by Texaco on the other side of the slough.
The Cache Slough is outside the field limits in this instance and all that is recommended here is a right-of-way easement for pipelines which will permit Texaco to get from one side of Cache Slough to the other.

MR. LUEVANO: I move approval.

GOV. ANDERSON: Second.

MR. CRANSTON: Approval is moved, seconded, and made unanimously.

Item 5 -- City of Long Beach: Project (a) Pier 2, Back Area Rehabilitation, second phase; estimated subproject expenditures from December 6, 1962 to termination of $87,000 with $81,780 or 94% estimated as subsidence costs; (b) Roads and Streets, Pico Avenue Railroad, Third Street to Eighth Street -- second phase; estimated subproject expenditures from December 6, 1962 to termination of $213,000 with $110,760 or 52% estimated as subsidence costs.

GOV. ANDERSON: I'll move it.

MR. LUEVANO: Second.

MR. CRANSTON: Item 6 -- Exchange of State sovereign lands, San Joaquin County, and actions necessary as result of said exchange:

(a) Exchange with George Speckman and Anna G. Speckman of 0.37-acre portion of old bed of San Joaquin River, a part of Chicken Ranch Island, for 0.37 acre portion of Vulcan Island.

(b) Approval of amendment of Lease P.R.C. 2856.1

OFFICE OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA
issued to George Speckman, to delete 0.37 acre which will no longer be owned by the State, as described in Exhibit A of (a) hereof, and to add and include the 0.37 acre acquired by the State, as described in Exhibit B of (a) hereof.

(c) Approval of assignment of Lease P.R.C. 2856.1 covering portion of old channel of the San Joaquin River, from George Speckman and Anna G. Speckman to E. R. Haertling and Bernice Haertling; and of reassignment thereafter of said lease from E. R. Haertling and Bernice Haertling to George Speckman and Anna G. Speckman in trust as security.

Motion is in order.

MR. LUEVANO: I'll move approval.

GOV. ANDERSON: Second.

MR. CRANSTON: Approval is moved, seconded, and made unanimously.

Item 7 -- Compensatory royalty agreements:

(a) Approval of revision of State's participating percentage under Compensatory Royalty Agreement P.R.C. 255.1, Kirby Hill, Solano County, to 1.31% for period January 1, 1962 through February 28, 1962, and to 1.33% as of March 1, 1962. (Operator: Standard Oil Company of California, Western Operations, Inc.)

(b) Execution with Standard Oil Company of California, et al., of a compensatory royalty agreement covering lands in Walnut Grove area, San Joaquin and Sacramento counties, providing for royalty payments to the State of
6.4% of all oil, gas and gas products produced. Agreement
provides for 18-2/3% of sales value of all gas, gasoline and
other products allocated to State lands; or, alternatively,
provides for 15% of all gas in the event it is necessary to
compress gas for delivery.

Motion is in order.

MR. LUEVANO: I move approval.

GOV. ANDERSON: Second.

MR. CRANSTON: Approval moved and seconded and
made unanimously.

Item 8 -- Provisions for the conduct of offshore
geophysical exploration and geological survey operations sea-
ward and landward of an "operations line."

Frank, do you want to explain that one?

MR. HORTIG: Yes, sir. Mr. Chairman, if the Com-
missioners will refer to the first map following page 44 of
the agenda item, you will have before you the map of that
portion of the southern California offshore centered approxi-
mately on Los Angeles, showing also lines drawn on the sea-
ward side of the Channel Islands -- starting from Point Loma
in San Diego County and skirting the seaward side of San
Clemente Island and Santa Catalina, and proceeding westerly
to the Santa Barbara and Channel Islands.

The area enclosed in these lines, and particularly
the line marked "Operations Line," which is the line three
miles seaward of the base line I just described, is the
boundary line of the State of California, as specified in
the California Constitution, Government Code 170, and is the
line which has been supported for this purpose in all discus-
sions with the United States of America, before the United
States Supreme Court and reports to the Special Master of
the United States Supreme Court by a series of Attorneys
General starting with Attorney General Warren, and by:
Attorney General Brown, and now being continued by Attorney
General Mosk.

Contrary to this statement of position on behalf
of the State of California, the United States Department of
Justice has informed the Department of the Interior that the
area shoreward of the line I have just described is actually
in dispute as international high seas except for so much of
the area as lies within three miles of the mainland and so
much which lies within three miles of a balt around the
Channel Islands.

You gentlemen have heard the analogous report
which has been made before by Federal representatives that
after an excursion steamer leaves the Los Angeles Harbor
breakwater and is more than three miles from San Pedro
en route to Avalon on Santa Catalina, passengers have left
the State of California, have left the United States, and
do not re-enter the State of California and the United
States until they are within three miles of Avalon on Santa
Catalina Island.
Notwithstanding this unresolved dispute, in 1955 by agreement with the Secretary of Interior it was determined that it would be desirable, rather than have a duplication of inspections and permit systems for geological and geophysical exploration offshore in California, to delegate the responsibility for all permits offshore for exploration purposes and for all inspections to the State Lands Commission and the State Fish and Game Commission; and all permits for this purpose have been so administered over the years.

Approximately one year ago, we had this as the basis of the same agenda item before you gentlemen, in that it had been developed that one of the State permittees felt that in view of the fact that explorations were now being conducted at considerable distances seaward of the most seaward-claimed boundary of the State of California, there should not be State inspectors on board vessels in that area because this area was out on continental shelf lands of the United States never claimed by the State of California; that the permittee should not be obligated to defray the State's inspection costs for such areas; and, most particularly, the permittee should not be subject to the existing disclosure requirement under the Code, whereby the permittee must make exploration results under that permit available for review to the Commission on a confidential basis.

After discussion by you, Mr. Chairman, with representatives in the Department of Interior, Washington, followed
about six months later by staff discussions which I had with the same Department, and in conjunction with an opinion of the Office of the Attorney General rendered by Deputy Shavelson here -- that the Lands Commission has no legal authority seaward of the line that we have depicted on these maps as "Operations Line" -- we have now come to a basis of agreement with the Department of Interior's representative, the United States Oil and Gas Supervisor, who has been designated as the representative of the Secretary of Interior to administer outer continental shelf explorations anywhere in the United States. We have come to a basis for agreement as I said, wherein it would be recognized that State permits would continue to be issued for all of that area landward of the land depicted on this map as "Operations Line," in other words all the disputed area would still be subject to current State Lands Commission and Fish and Game permits, and the rules and regulations and inspections required under State law.

Future permits, and existing permits modified correspond, would provide that seaward of the operations line out on the continental shelf administration, inspection and enforcement of any requirements of the outer continental shelf statute would be the responsibility of the United States Oil and Gas Supervisor.

Actually, the Federal statutes authorizing this type of operation on outer continental shelf lands do
require that such explorations be conducted and may be con-
ducted which do not interfere with or endanger acts or
operations under any lease the Federal Government may have
granted pursuant to the Act -- which they have not granted
in California -- and which are not unduly harmful to aquatic
life, and it is anticipated that the Oil and Gas Supervisor
will enlist the cooperation of the California Fish and Game
Commission to continue some sort of patrol and inspection
with respect to assurance of protection of marine life on
the outer continental shelf and outside the boundary of the
State of California.

As far as the State Lands Commission is concerned
and the lands under its jurisdiction, the maximum that has
ever been claimed is, of course, out to the boundary depicted
on this map; and, of course, State Lands permits and controls
over permits would be applicable to those areas only.

The recommendation here today before you gentlemen
is to authorize the issuance of permits in the future to
state clearly that the jurisdiction under the permit and
the authorization under the permit is limited to such opera-
tions as do not go seaward of the operations line; and
similarly to amend any existing permits which heretofore
have been considered applicable irrespective of distance
offshore, to limit similarly to the maximum operations line
claimed by the State of California.

This agreement would be subject to the understanding,
as stated in the agenda item, that this is for the purpose of administering geophysical and geological exploration permits only and will not be used to bias or contravene the position of the State or the United States with respect to title claims in the area.

GOV. ANDERSON: One statement there left me a little confused. What do you mean "Would not bias the title"?

MR. HORTIG: We have potentials for litigation or action by Congress or further decisions by the Supreme Court in the case of U. S. versus California, on which decision was rendered in 1947 and on which we have been informed variously as to whether the case is closed or whether it is still open or whether further action by the United States would require bringing a new action.

In any event, those procedures would be with respect to: Does the State of California own the disputed area in its sovereign capacity, or are the contentions of the United States Department of Justice correct and the State is limited to tide and submerged lands only within three miles of the mainland and three miles around the islands -- with the intervening water area being international high seas and not the lands but the minerals beneath those areas having been claimed by the United States by Presidential proclamation in 1945, implemented by the Outer Continental Shelf Lands Act adopted in 1953, which would permit the United States to proceed with the minerals,
which they have so done off the coast of Texas, to issue oil and gas leases as much as one hundred miles off the coast of Louisiana -- without a claim to the overlying waters, but simply to the underlying minerals as an adjunct to the adjoining continent.

MR. LUEVANO: This agreement is without prejudice to the rights of either party.

MR. HORTIG: This is a better summary, I think.

GOV. ANDERSON: Have all the present geological permits been in the disputed area?

MR. HORTIG: In the disputed area involved, but also they have been applied and State Lands Commission inspectors have been on board as much as one hundred miles off the coast, far beyond any State boundaries claimed by the State of California, because cooperatively we were still administrating under the original agreement with the Department of Interior.

GOV. ANDERSON: At the present time there haven't been any permits issued by the Federal Government in areas that we have claimed?

MR. HORTIG: No; and under the proposed revised plan there still will not be any issued by the Federal Government in the area claimed by California. They will keep California informed of that activity.

GOV. ANDERSON: These are exploration permits only?
MR. HORTIG: Only.

MR. CRANSTON: A motion is in order to act upon the staff recommendation.

GOV. ANDERSON: I'll move.

MR. LUEVANO: I'll second.

MR. CRANSTON: Approval has been moved and seconded, and is made unanimously.

Item 9 -- Proposed outer continental shelf oil and gas leases -- U. S. Department of the Interior. Recommends notification to the Secretary of the Interior of the United States as to the State's claims in certain parcels, protests of oil and gas lease offers, and objections to the issuance of any lease upon any portion of said State-claimed lands.

MR. HORTIG: Mr. Chairman, with your approval -- The problem before us has arisen from a series of joint operations, considerations and conferences which have been held heretofore by the Office of the Attorney General and the Lands Commission, represented by me. In view of the fact that Deputy Shavelson has been in supervision of the legal phases of this problem all during that period of time, if it is satisfactory with you I would like to call on him to give the Commission a report as to the nature of the problem on which the State Lands Commission is actually recommending.

MR. CRANSTON: Jay, would you proceed?
MR. SHAVERSON: As Mr. Hortig pointed out, even after the enactment of the Submerged Lands Act in 1953, there remained a controversy between the State of California and the United States as to the location of the California coast line.

The Submerged Lands Act conveyed to the State all lands within three miles of the ordinary high water mark of the coast line, but since we don't know the base line for that three-mile shelf, that means there are substantial amounts of land all along the California shore that continue to be in dispute.

Now, I believe some fourteen months ago we were notified by the Solicitor-General Cox, representing the Department of the Interior, that the United States proposed what they considered to be an outer continental shelf leasing program in northern California, which ultimately extended from Point Conception to the Oregon Border, on lands that they claimed belonged to them -- despite the terms of the Submerged Lands Act.

After studying the specific areas that they proposed for lease (a joint study was made by the State Lands Division and the Attorney General's Office), we determined that some portion of the lands that they proposed to lease were claimed by the State of California under the Submerged Lands Act; and for that reason, in the course of informal correspondence, the representatives
of the Interior Department were informed as to exactly what the State's claims were; finally culminating in a letter that appears in the complete calendar which you gentlemen have; after page 45, is it?

MR. HORTIG: After page 53.

MR. SHAVELSON: Yes, after page 53 -- a letter to Under Secretary Carr, in which it informs the Interior Department that any leases outside of certain specified areas would be protested, or at least they could anticipate a probable protest by the State of California as to such areas.

Despite this information, they have gone forward with their leasing program without any of the requested modifications to exclude the areas that we claimed, and for that reason it is recommended that the State Lands Commission -- which, of course, has the exclusive jurisdiction over the tide and submerged lands, as well as jurisdiction to deal with the United States on disputes over tide and submerged lands -- pass a resolution protesting the solicitation of bids and notifying them that we will object to the issuance of any leases in the areas claimed.

I might say that the total area involved is some eight hundred thousand acres, of which about one hundred sixty-five thousand acres are in areas which the State of California does claim.

We recommend, also, that this resolution be
forwarded to the Governor's Office and sent by him to the Department of Interior and Congress.

GOV. ANDERSON: Now, there is no notification going to be given to the prospective lessees on this, that will tell them of our rights, and so on, or lay our claim to whatever they discover? Is that necessary?

MR. SHAVELSON: I would suggest that once the communication has been sent to the Secretary of the Interior we take whatever steps are appropriate to disseminate notice of this protest to members of the industry. I believe that that would be more proper after the copy of the resolution has been received by the Secretary of the Interior.

GOV. ANDERSON: So move.

MR. LUEVANO: I'll second.

MR. CRANSTON: The staff recommendation has been supported by a motion, seconded, and it is made unanimously.

GOV. ANDERSON: When will these leases be made?

MR. HORTIG: The invitation for bids is in early January.

MR. SHAVELSON: January 8th.

GOV. ANDERSON: So we will have a subsequent meeting before that, at least one, and we will probably have an answer back from the Department of Interior.

MR. HORTIG: If there is an answer back, you certainly will have an opportunity to consider it. I don't wish to sound cynical; but in view of the fact that our
last communication with the Secretary of Interior was through the Attorney General's Office on the 14th of August, and the next acknowledgment was in the Public Register by an invitation to receive bids on which we filed a protest, we do not have an accurate precedent on which to base the expectation.

GOV, ANDERSON: Even if we don't receive an answer, shouldn't there be a meeting of this body before January 8th, so having notified the Secretary of the Interior of our intention we should then notify the prospective lessees?

MR. HORTIG: I think the prospective lessees would have been notified of this by this resolution, the specifics of the resolution that have been filed with the Secretary of the Interior. I am sure that the associations of the industry and the press will cooperate so that there will be no prospective lessee who is not on notice before he files a bid with the United States Department of the Interior, without the need of further notice by the State Lands Commission.

However, we will report to you on the success or lack of success, or response or lack of response to this protest at the next meeting of the Commission.

GOV. ANDERSON: I just want to make sure that the prospective lessees know that we mean business on this and we are not going to back down on it.
MR. HORTIG: I think you have just now given considerable notice.

GOV. ANDERSON: That's mine.

MR. HORTIG: Yes, but you have already delivered it to a considerable portion of those who may be prospective lessees.

MR. CRANSTON: If no objection is voiced here, I am sure it is concurred in by the members of the Commission.

MR. LUEVANO: Have we identified all of the areas that are in dispute other than the ones identified here in this particular Act?

MR. SHAVELSON: We have done it in a more general way up and down the whole California coast line and we define it down to specific legal descriptions in the areas to be proposed.

MR. HORTIG: They are tabulated in an exhibit in your agenda item, Mr. Luevano, on subsequent pages; and if you are interested later, we have maps thereof.

MR. CRANSTON: The action has been duly taken.

We proceed now to Item 10 -- Issuance of a lease for minerals to be extracted from brine, to Guy L. Weatherly, an individual, the highest qualified bidder, on 43.35 acres of sovereign lands in Owens Lake, Inyo County, at royalty rate of fifty cents per ton or two percent of weighted average sales price, f.o.b. the extraction plant.
GOV. ANDERSON: Move it.

MR. LUEVANO: Second.

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

Item 11 -- Confirmation of transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

Anything special to report?

MR. HORTIG: Nothing special. Those items tabulated were extensions granted under executive authority for permits and other authorizations previously authorized by specific resolution of the Commission.

MR. CRANSTON: Motion is in order to confirm.

GOV. ANDERSON: Move it.

MR. LUEVANO: Second.

MR. CRANSTON: Moved, seconded, confirmed unanimously.

Item 12 -- Informative only -- no Commission action required: Report on status of major litigation.

MR. HORTIG: I'd like to direct the attention of the Commission to the fact that argument has been set on our primary case in which we are involved, U. S. versus Anchor, et al, relating to Long Beach subsidence -- the suit brought by the United States Government primarily on behalf of the United States Navy. Argument has now been set for December 18th in Federal District Court in Los
MR. CRANSTON: The final item, if there is nothing else .......

MR. SHAVELSON: I did not attend the last meeting but I think the Commission's attention has been called specifically to the two cases in connection with the Long Beach Unit operations.

MR. HORTIG: Yes, they were tabulated.

MR. CRANSTON: The final item is confirmation of date, time, and place of next Commission meeting -- Thursday, December 20, 1962, in Sacramento. I presume that is ten a.m.?

MR. HORTIG: Ten a.m.

MR. CRANSTON: I think the record should show the Commission showed a great deal of foresight in setting this meeting for three o'clock. If we had set it for ten o'clock, I know I wouldn't have been here; and I guess Danny wouldn't have been here.

We stand, then, in recess until ten a.m. on the 20th in Sacramento.

ADJOURNED 4:00 p.m.

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CERTIFICATE OF REPORTER

I, LOUISE H. LILlico, reporter for the Office of Administrative Procedure, hereby certify that the foregoing twenty-eight pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Los Angeles, California, on December 6, 1962.

Dated: Los Angeles, California, December 7, 1962.

[Signature]