TRANSCRIPT OF MEETING
of
STATE LANDS COMMISSION
LOS ANGELES, CALIFORNIA
September 24, 1964

PARTICIPANTS:

THE STATE LANDS COMMISSION:

Hon. Hale Champion, Director of Finance, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Alan Cranston, Controller

Mr. Frank J. Hortig, Executive Officer
Mr. Alan Sieroty, Executive Secretary to
Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mrs. James P. Crowley, Long Beach, representing
Citizens Committee for Preservation of
Public Beaches and Parks

Mr. Michael Traynor, Attorney, San Francisco,
representing City of Martinez

Mr. Arthur O. Spaulding, Petroleum Administrator
and Assistant City Administrative Officer,
City of Los Angeles

Mrs. Harold C. Morton, Member, Los Angeles
Recreation and Parks Commission

continued
APPEARANCES: (continued)

Mr. William Frederickson, Jr., General Manager, Los Angeles Department of Recreation and Parks

Hon. Rex Minter, Mayor, City of Santa Monica

Mr. John Evans, representing Venice Civic Union

Mr. Glenford J. Foster, President of Marina Peninsula Property Owners Association; past Chairman of Venice Planning Committee; present Chairman of Oil Committee of Venice Planning Committee

Dr. Basil Gordon, President, Association to Save Santa Monica Bay Beaches

Mr. Kurt Simon, Property owner, and alternate member, Venice Planning Commission

Mr. Willis O. Gooden, President of the Harbor Resident Property Owners Association

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AFTERNOON SESSION OF THE COMMISSION IN RE LONG BEACH UNIT OF EAST WILMINGTON FIELD HAS BEEN REPRODUCED ON STENCILS, PAGES 1 THROUGH 51.

APPEARANCES IN AFTERNOON SESSION:

Senator Virgil O'Sullivan

Mr. Harold Lingle, Deputy City Attorney, Long Beach

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**SUPPLEMENTAL:**

18 Resolution on oil and gas lease, City of Los Angeles, Santa Monica Bay

19 LONG BEACH UNIT, CHAPTER 138/64 E.S. WAS REPRODUCED ON STENCILS, PAGES 1 THROUGH 51
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SUPPLEMENTAL

LONG BEACH UNIT
EAST WILMINGTON
FIELD -- REPRODUCED
ON STENCILS, PGS. 1-51

NEXT MEETINGS 15
MR. CHAMPION: The meeting will please come to order. We have a number of problems today which may take some time. I don't anticipate that we will be able to complete our work this morning. If it is satisfactory to the other members of the Commission, it is my intention to run until shortly after twelve and then to adjourn until two thirty. So we will run somewhere shortly after twelve, then we will reconvene at two thirty and go until we complete our business. It is our fond hope that we won't go beyond four o'clock and I'd like to shoot for that if we can; but we don't want to cut off anyone in the discussions of these matters.

I have several requests to appear early, but I am going to have to try to handle that within the framework of the discussions. Some of the requested early appearances are on matters which we just can't get to, in the nature of things, right away.

I think what we will do is simply go through the calendar and then to those points which are going to involve discussion -- get the routine out of the way. I think there are probably three matters I know of now on which there may be some discussion -- one involving the Commission's action on the agreement regarding development of a small craft harbor at Martinez; another involves the Santa Monica drilling matter, and the third involves the tidelands oil field contractor agreement and the unit agreement at Long Beach. We will reserve those three to the last after we have run through...
quickly the routine; and then we will go in this order --
dealing with Martinez (and I am trying to do these in the
order which I hope will not hold things up) -- Martinez,
which will be relatively brief; Santa Monica Bay, a problem
which I hope will be brief; and the Tidelands oil contract,
which I know will be brief. That's the best way I think I can
arrange it. If there is someone who has a time problem and
needs to meet another commitment, if you will let Mr. Hortig
know, I will try to work it out even if we have to hold that
statement or testimony until we get to the subject. I don't
see any other way we can organize this thing properly.

So we will proceed with that understanding. The
first order of business is confirmation of minutes of meeting
of June 24th.

MR. CRANSTON: Move approval.

GOV. ANDERSON: Second.

MR. CHAMPION: It has been moved and seconded --
stand approved.

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

(a) County of Sacramento, Department of Public
Works -- Life-of-structure permit, 0.367 acre tide and sub-
merged land of Sacramento River, Sacramento County (for con-
struction and maintenance of six-inch cast iron submarine
force main).

(b) State of California, Division of Forestry --
49-year easement, 1.84 acres school lands, Placer County, for
construction and maintenance of a firebreak.

The next item, which I will pass temporarily, is the
City of Martinez matter.

GOV. ANDERSON: I move.

MR. CRANSTON: Second.

MR. CHAMPION: Stand approved.

Permits, easements, leases, and rights-of-way
issued pursuant to statutes and established rental policies of
the Commission:

(a) W. J. Harlamert -- five-year minor structure
permit, 0.041 acre sovereign lands of San Joaquin River, Contra
Costa County (for private, noncommercial fixed wharf, floating
wharf and walkway) -- total rental $25.

(b) Marine Advisers, Inc. -- 3-year lease on 33
parcels of submerged lands in Gulf of Santa Catalina near San
Onofre, San Diego County, for construction and maintenance
of a monitoring system in conjunction with the San Onofre
Nuclear Generating Station Project; rental $150 a year.

(c) Pacific Gas and Electric Company -- 10-year
renewal of Lease P.R.C. 406.1, 1,492-acre parcel of tide and
submerged lands of Three Mile Slough, Sacramento County, for
suspension and use of electric power lines and private tele-
phone lines; annual rental $47.25.

(d) Pacific Gas and Electric Company -- 49-year
easement, 0.055 acre submerged land under Georgiana Slough,
Sacramento County, for submarine cable crossing, total rental $255.29.

(e) Southern California Edison Company and San Diego Gas and Electric Company -- 15-year lease, 7.599 acres tide and submerged lands at San Onofre, San Diego County, for two water circulating conduits for San Onofre Nuclear Generating Station; annual rental $497.62.

(f) Neva Hallmark -- Approve sublease to State Department of General Services under Lease P.R.C. 745.1, of portion of 0.186 acre parcel of tide and submerged lands in Trinidad Bay, Humboldt County, for facility to supply water to laboratory at Humboldt State College.

(g) Calvin P. Bentley -- Approve assignment to Marion B. Wall, et al, of partial interest in Oil and Gas Lease P.R.C. 2205.1, Santa Barbara County.

(h) Calvin P. Bentley -- Approve assignment to Marion B. Wall, et al, of partial interest in Oil and Gas Lease P.R.C. 2206.1, Santa Barbara County.

MR. HORTIG: Mr. Chairman, the P.R.C. 2206.1 should be corrected to read 2207.1.

MR. CHAMPION: (i) Condon-Cunningham, Inc. -- Approve assignment to Condon-Cunningham Equipment Co. of partial interest in Oil and Gas Lease P.R.C. 2205.1, Santa Barbara County.

(j) Condon-Cunningham, Inc. -- Approve assignment to Condon-Cunningham Equipment Co. of partial interest in Oil and Gas Lease P.R.C. 2207.1, Santa Barbara County.
(k) Leonard Elsbree -- Approve extraction of additional 50,000 cubic yards of material at royalty of three cents per cubic yard under Dredging Permit P.R.C. 3029.1, Sacramento River, Yolo County, in order that operation of marina under Lease P.R.C. 2442.1 may be continued; deposition of sand is a reoccurring problem.

(l) Southern California Edison Company and San Diego Gas and Electric Company -- Amend Permit P.R.C. 3130.1, reducing area from 3.45 acres to 3.286 acres of tide and submerged lands, San Diego County; reducing rental from $2,070 to $1,972.80 annually; and refunding $97.20 overpayment of first year's rental.

(m) Standard Oil Company of California and Shell Oil Company -- Defer drilling requirements, Oil and Gas Lease P.R.C. 2198.1, Santa Barbara County, through April 13, 1965, to permit further review and analysis of geological and geophysical data.

(n) Standard Oil Company of California -- Approve construction of stationary "outrigger type" pylon-supported drilling and production platform approximately 17,000 feet offshore Sand Point in vicinity of Carpinteria, Santa Barbara County, within area of Oil and Gas Lease P.R.C. 3150.1.

(o) Standard Oil Company of California -- Authorize Executive Officer to execute (under Easement 415) an agreement to joinder to the Rio Vista Gas Unit certain lands of the State in Contra Costa, Sacramento, and Solano counties.
(p) Bay Cities Building Materials Company, Inc. --
Terminate Mineral Extraction Lease P.R.C. 275.1, San Mateo
County, effective September 29, 1964; and refer matter to
Office of Attorney General for such action as is deemed appro-
priate. Currently lessee owes royalty amount of $600 for
two-year period.

(q) Ryerson Logging Company -- Accept quitclaim deed
terminating leasehold interest in Lease P.R.C. 732.1, tide and
submerged lands of Klamath River, Del Norte County. Last
year’s rental of $16 aid in advance will be forfeited to
the State.

MR. CRANSTON: I move approval with the amendment
on (h).

GOV. ANDERSON: Second.

MR. CHAMPION: Stand approved.

City of Long Beach -- Approvals required pursuant to
Chapter 29, 1956, First Extraordinary Session, and Chapter
138, 1964, First Extraordinary Session:

(a) Town Lot, Raise Oil Wells, 2nd phase -- Estimated
subproject expenditure September 24, 1964 to termination of
$680,000 with $428,400 (63%) estimated as subsidence costs.
I think let’s act on that.

MR. CRANSTON: I move approval.

GOV. ANDERSON: Second.

MR. CHAMPION: If there is no question, stands
approved. I gather the next one does not require any action.
It has to do with the testimony we have heard with regard to
the Long Beach Navy Landing, and the Attorney General has
issued an informal opinion which concludes that under present
laws advance approval by the State Lands Commission is not
required. So that is a matter that will be handled by the
people in Long Beach, without their having to seek our approval.
Groups had asked us to intercede there, but we are told they have
the legal authority to proceed. I don't think that completely
settles the question as to whether or not we wish to intervene.

What is the pleasure of the Commission?

MR. CRANSTON: Isn't it the actual fact we have no
direct power to do anything?

MR. CHAMPION: I think under general trust provisions
we would have, Mr. Shavelson? I don't think this prohibits
us from inquiring into this, but they have every right to pro-
ceed whether we make an inquiry or not.

MR. SHAVELSON: Yes, Mr. Chairman, that is our
opinion. Certainly if there were an abuse of the trust we
would have the right to act, and we certainly do have the right
to examine the situation as closely as necessary to determine
whether there has been such a breach; but, provided they act
within the broad limits of their trust discretion, we think
this is one of the areas where the City, like any other tide-
land grantee, can act without State Lands Commission approval--
but subject to subsequent review if there is anything seriously
wrong.
MR. CHAMPION: Have either you or Mr. Hortig made any investigation or had any immediate ideas as to whether you recommend we make further inquiries?

MR. HORTIG: In view of the fact, Mr. Chairman, that the proposed lease, method of operation and specifications for bid have not been completed on behalf of the City, but are being reviewed currently as they are being produced for consideration, it was the conclusion that there was no basis for questioning at this time any of the procedures that have taken place in the City to this date with respect to the Navy Landing.

MR. CHAMPION: Subject to agreement of the other members of the Commission, I would suggest the proper procedure here is to say that we will not intervene at this time, but we will review this to make sure the trust purposes are not violated; but there isn't anything really formally before us, except we are on notice and we should observe and see that our responsibilities are met.

MR. CRANSTON: We should go further and ask the staff to advise us if there is any violation possibly popping up.

GOV. ANDERSON: I agree with Mr. Cranston. I think we should let them know we are definitely interested in these things. There may be some borderline cases where we would hate to move in after the contract was in. It might be a lot better to do this when they have started.

MR. CHAMPION: I think this opinion states our approval is not required, and the moment we can enter the thing...
is when we think there is an abuse of discretion; and I don't think in this case there is any evidence that there has been any abuse of discretion. Certainly we can instruct the staff to watch for such abuse, but in the absence of any evidence of that kind, we are not in a position to do anything.

GOV. ANDERSON: I think we should inform them that they shouldn't make a decision on a borderline case without discussing it with our staff. I think we should do this.

MR. CHAMPION: I think that has been what has happened in this case -- they have been discussing it.

MR. HORTIG: I might report, Mr. Chairman, that this has been staff practice even without specific direction from the Commission.

MRS. CROWLEY: Mr. Champion, may I speak on this matter, please? I am Mrs. James Crowley, 6427 East Seaside Walk, Long Beach, California. I am speaking for the Citizens Committee for the Preservation of Public Beaches and Parks, and directly for Mrs. Charlene D. Roberts, who is chairman of the Long Beach Navy Landing Subcommittee.

Through your courtesy I have appeared here before. I am sure that you are well versed on the subject, so I will not go through the formality of the lease proposal, the specifications, and so on.

Honorable Mr. Champion, members of the State Lands Commission ....

MR. CHAMPION: Excuse me. What is the character of
your statement? You have appeared before us on other occasions.

MRS. CROWLEY: The character is a slight analysis of the proposed lease, which I believe we cannot call a "proposed lease" any longer. The point I wish to bring out to the Commission is where we feel you not only have the right but the need and the responsibility to go into this matter.

MR. CHAMPION: Mrs. Crowley, we have now been over this several times and I think in view of the position of the Commission it would be well that you furnish any information to the staff in view of their assignment. I do believe in view of the number of matters we have to come before the Commission and the limited time we have, I would appreciate it if you would submit your further statements to the staff for analysis. If it comes before us in an official way, we will be glad to go into it.

MRS. CROWLEY: Mr. Champion, I appreciate you are very busy. I have a very brief paper. I think it should be heard now. I and the committee have gone to considerable trouble ....

MR. CHAMPION: Mrs. Crowley, may I do it this way - I hate to be firm. Under normal circumstances we would go into it. If you provide copies to each of the members of the Commission, as well as to members of the staff, I think that would serve the purpose. We would have the matter fully before us in the form you have prepared it, and simply to spend the
MRS. CROWLEY: Mr. Champion, it is a rather frightening thing in this lease.

MR. CHAMPION: Well, Mrs. Crowley, please submit them to us and I assure you that they will be given every attention, but I simply have to proceed with the matters on the calendar.

Next item - 6 - Land sales and exchanges.

All 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 the lands proposed for sale or exchange:

(a) Find that State Department of Fish and Game has established its preferential right to purchase 47.33 acres in Tulare County acquired from U. S. Bureau of Land Management under Application No. 5526; reject application No. 3886 of F. T. Elliott, Jr., for said land; authorize sale of said land to State Department of Fish and Game at appraised cash price of $2,539.25.

MR. HORTIG: Mr. Chairman, the reported application number, 3886, should read 5086.

MR. CHAMPION: It will be amended.

(b) Authorize sale of 618.25 acres of State school land in San Bernardino County to George D. La Moree, under his application No. 11588, at the October 3, 1961 staff appraisal of $26,287.10.
(c) Authorize exchange of 80 acres State school lands in Trinity County for 280 acres Federal land in said county of approximately equal value. Upon completion of exchange, land to be appraised for anticipated future sale to Eva Copeland, applicant.

GOV. ANDERSON: I move them.

MR. CRANSTON: Second.

MR. CHAMPION: Any questions? (No response)

Stand approved.

7 - Mineral extraction, and oil and gas leases:

(a) Authorize Executive Officer to offer 7.33 acres tide and submerged lands in vicinity of Marina, Monterey Bay, Monterey County, for extraction of not more than 40,000 cubic yards of sand a year, at minimum royalty of six cents a cubic yard, pursuant to application of Granite Rock Company.

(b) Award to highest qualified bidder, Standard Oil Company of California, of Parcel 22A Oil & Gas Lease, 5,540 acres of tide and submerged lands, Ventura County, for cash bonus payment of $8,123,345.

MR. CRANSTON: Move approval.

GOV. ANDERSON: Second.

MR. CHAMPION: Is there any further question?

(No response) Stand approved.

Proposed Annexations:

(a) Authorize Executive Officer to notify City Council of San Buenaventura (1) that present value of 17,822
acres of tide and submerged lands in Ventura County that it proposes to annex under Resolution No. 5778 is $178,220; and (2) that map and legal description of boundaries of territory to be annexed comply with provisions of Government Code Section 35014 and are approved,

(b) Authorize Executive Officer to notify City Council of Richmond (1) that present value of 1,700 acres of tide and submerged lands in Contra Costa County that it proposes to annex is $7,220,750; and (2) that map and legal description of boundaries of territory to be annexed comply with provisions of Government Code Section 35014 and are approved,

MR. CRANSTON: Move approval.

GOV. ANDERSON: Second.

MR. CHAMPION: Any question? (No response) Stand approved.

Approval of maps and surveys:

(a) Authorize Executive Officer: (1) to approve Map No. 12353 entitled "Survey of Corrected Boundaries Tideland Survey 63 (Parcel Two), Tideland Survey 76 (Parcel D), San Mateo County, California," dated September 1963, insofar as it depicts the common boundary of Parcel Two of Tideland Survey 63 along the landward or westerly boundary of Tideland Survey 76; (2) to approve corrected descriptions of Tideland Survey No. 63 (Parcel Two) and Tideland Survey No. 76 (Parcel D); to certify Map No. 12353 and cause it to be filed in the
Office of the San Mateo County Recorder.

(b) Authorize Executive Officer to: (1) Approve boundary agreement between State and Louis Nixon; (2) execute said agreement; (3) request Office of Attorney General to disclaim any interest in land described in quiet title action known as Case No. 40184 in the Solano County Superior Court.

MR. CRANSTON: Move approval.

GOV. ANDERSON: Second.

MR. CHAMPION: Stand approved.

10 - Approve resolution, drilling and operating contract, Board of Harbor Commissioners, City of Los Angeles, San Pedro Bay, Los Angeles County.

GOV. ANDERSON: I move it.

MR. CRANSTON: Second.

MR. CHAMPION: Is there any question? (No response) Stands approved.

11. Determine Commission policy with respect to development of petroleum resources in California tide and submerged lands under the jurisdiction of the State Lands Commission.

I think we will hold that item, too.

12. Authorize Executive Officer to report to Senate Fact Finding Committee on Natural Resources at hearing on public lands to be held September 25, 1964. Report will outline lands under Commission jurisdiction, bases of Commission authority, current usages, and projected studies.
Is there any question about that appearance?

MR. CRANSTON: I move authorization.

GOV. ANDERSON: Second.

MR. CHAMPION: Stands approved.

13. Authorize Executive Officer to execute inter-agency agreement providing for rendering of auditing services by the State Lands Commission to The Reclamation Board, relating to revenues from gas leases located in the Sacramento-San Joaquin Delta area, for fiscal year 1964-65, at cost not to exceed $2500.

MR. CRANSTON: I move authorization.

GOV. ANDERSON: Second.

MR. CHAMPION: Stands approved.

14. Confirm transactions consummated by the Executive Officer pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

MR. CRANSTON: Move confirmation.

GOV. ANDERSON: Second.

MR. CHAMPION: Stand approved.

The next item is the election of the Chairman to serve at the beginning of the next regular meeting of the Commission, which is proposed for October 22nd.

MR. CRANSTON: Mr. Chairman, in conformity with the rotation system we have been following, I nominate Glenn Anderson to be the next Chairman of the Lands Commission.

MR. CHAMPION: I second that nomination. Hearing
no dissent, Governor Anderson is unanimously elected, and he will preside over the next regular meeting of the State Lands Commission on October 22nd.

I should announce at this time that, because of the method of procedure on approval of the unit agreement and the field contracting agreement with Long Beach, while we will first push this to a conclusion and approve it in principle, the first formal action on this is by the City of Long Beach and we will have a special meeting after that. Now, the hoped-for scheduling would permit us to have a special meeting at one o'clock Friday, October 9th, in Sacramento, at which time we would hope to take final action. Now, this presupposes approval by the City of Long Beach of what we will have approved in principle before that time. So that is a tentative call for a special meeting. A formal call will be made later.

We have two supplemental items. One is the Santa Monica Bay matter; the other is the Long Beach Unit matter. What is that Mr. Hortig? Is this another.....

MR. HORTIG: This is the basic problem to which you just referred -- approval in principle.

MR. CHAMPION: All right. Let's return, then, at this time to Item 3(c), Roman Numeral Page I, which is the City of Martinez -- Authorize Executive Officer (1) to execute "Memorandum of Agreement" regarding development of a small craft harbor at Martinez; (2) to approve termination of P.R.C. 2549.9; and (3) to execute a new 49-year lease as provided in
Exhibit F of the Agreement, covering 34.03 acres State tide and submerged lands in Contra Costa County.

Now, it is the opinion of the Chair, after considering this item and having some discussion on it, that we are going to need further discussion with the City of Martinez, at least before I am ready to act on this agreement. I think that is the feeling of the Commission. If someone from Martinez or elsewhere would like to make a statement with regard to this at this time, we would be very glad to take it into consideration. I do not feel, however, that we are going to be able to act on it today. If, after negotiations, it would return before the Board, it could return at this special meeting on October 9th.

In view of those circumstances, is there anyone who would like to make a presentation?

MR. TRAYNOR: Mr. Chairman and members of the State Lands Commission, my name is Michael Traynor. I am a lawyer and I am representing the City of Martinez in this matter.

The State Lands Commission now has before it an agreement to solve the problems of the harbor at Martinez. This agreement is the product of long and hard negotiation between the City and State, and the State Attorney General's Office represented by Attorney Willard Shank. In the last few days there have been a few questions raised before the Commission. I understand that is the reason for the postponement.

MR. CHAMPION: That is correct.
MR. TRAYNOR: The City does accept the postponement. However, it does wish to emphasize in its opinion there is no merit at all in the legal questions that have been raised, and the City emphasizes strongly the need for action as quickly as we can get it, so we can proceed with development of the harbor.

MR. CHAMPION: Thank you. Is there anything further? (No response) In that case, the matter will be taken off calendar, subject to rescheduling on October 9th.

The next matter, in the order I said we would take them up, is the Santa Monica Bay matter. I'd like to make some preliminary remarks and I think perhaps some other members of the Commission might like to make some preliminary remarks.

Those of you who were in attendance at the last meeting will recall the discussion which we had with representatives of the City, in which we asked that certain conditions be set forth in the contract and agreed that the staff would attempt to write those conditions into the contract. On that basis, the Commission -- not the whole Commission, Governor Anderson had to leave, but Mr. Cranston and myself -- indicated if those conditions would be met, we would grant approval.

After discussion with the staff, with the material before us, it appears it would be impossible to meet those conditions. There was just legal inefficiency for a satisfactory
resolution of this problem -- the key point being, really, whether there was some arrangement that could be worked out so that before actually we are committed to a permanent drilling program in Santa Monica Bay of one kind or another, the matter could be brought back to the Lands Commission; in other words, our attempt was to try to have a two-stage arrangement, where you could proceed through exploration.

Now, the City under the proposed lease would have some controls, but in the judgment of those with whom I conferred, even the City is limited as to what it could further do at the time exploration had been completed.

For instance, with regard to underwater wells, I gather that in the opinion of many expert technicians in this field underwater wells would not be practical for the kind of oil they think is there; it could not be satisfactorily produced with the temperature and the character of the oil and other technical considerations. So that, although the City might say at that time that it wanted underwater wells, this would not be and really would not be in conformity with good oil practice and might be an unreasonable restraint of the right of the lessee to proceed, and a court might so find.

So that not only do we not have the ability in the State to come into this -- and really we are a secondary party in this -- but the City itself could not be adequately protected by this present lease. It could not have that ability to say: 'Well, we have seen what is there. We don't think it
is worth it, particularly if you have to go above water, and therefore we just won't do anything."

Now, we are aware of the City's other problems and we think there ought to be some resolution here. We have got other problems, too. The State has this large sanctuary in Santa Barbara Bay and other communities have a stake in the problem here.

The real problem is that we are trying to act on an uncertain condition. We don't know whether what is being attempted is worth it or not. We don't know the value of the oil. At the same time, we have another problem -- and that is the potential drainage from the City tidelands, and the City as a trustee is trying to protect that asset and they are trying to live up to their trusteeship. There is a real threat that oil belonging to the City would be drained away should the City not take some action to protect it.

What it seems to me to add up to is the need to develop a two-stage policy, so the first stage does not really bind the City and State. This may be somewhat more expensive but I think it is well worth the expense. Something should be worked out, in my opinion, in determining -- exploring what that asset is, as in the case of Long Beach. Is this really worth the candle and you can't know that until there has been adequate exploration of the Santa Monica Bay.

I, at least, feel that the City and State would be well advised to sit down together to try to devise this, or
with the cooperation of the industry have an exploration program without a lease at this time, to determine what the value is, where the oil exists, what the potential is, whether there is going to be oil all the way down, so that we have the same situation all the way down the coast.

There are all sorts of such questions. There are questions as to whether it might not be esthetically better to have an onshore development. If the character we felt were such we might never have to build islands in the water. You might have the kind of development which you have at Redondo Beach, which is completely preserved and, as a matter of fact, it looks better than it did before the development was put in. There are all kinds of circumstances, but you can't really decide now whether you can do such things satisfactorily because you don't know enough about the character of the field; and, without belaboring the point, my view is that not being able to satisfy ourselves, we could have that second stage protection after a lessee obtained that information; that the lease should be on a different arrangement that does not endanger the City and the State in the stakes they hold.

Governor Anderson?

GOV. ANDERSON: Well, I'd like to briefly explain my position because of certain comments made by the Mayor and others in the City.

I have a kind of unique interest in the Santa Monica
Bay in that I represented it for many years, or the cities from Palos Verdes on up, in the State Legislature; so naturally when this matter came up some weeks ago, knowing, I feel, how the people in that area feel about platforms and islands and oil drilling in the Santa Monica Bay, I asked certain questions about it; a month ago, it was at my suggestion or request that it be put over originally for a month.

I didn't want to put a stumbling block of any kind in front of the City of Los Angeles, but I thought surely it would suggest some sort of thing that could be worked out -- that perhaps the oil drilling could be on the floor of the ocean and they wouldn't destroy the esthetics of the area, and perhaps something like this could be worked out.

We have depended to a great extent upon not only our staff but the staff of the City of Los Angeles, and it is my understanding that they were the ones who came to the conclusion that you could not have ocean floor drilling, that the wells could not be on the floor of the ocean but would have to be these platforms that would be two-hundred-plus feet in the air when they were drilling and approximately half that high when the rigs were taken down; but that would be a permanent structure; that they couldn't do this because of the low gravity of the oil. I even heard the suggestion that the temperature of the water was such that you could not have ocean floor drilling; and because of this the City of Los Angeles dropped the idea of ocean floor drilling and went to the idea of islands.
or floating platforms which would be permanent, because the
wells would be there perhaps for twenty, thirty, forty years.

I wrote a letter to the Mayor; I was trying to be
cooperative and courteous, and I explained to him -- I want
to read part of it, not all of it, but I indicated my inten-
tion to vote today against this pending application and I asked
the Mayor to take another look at it. I said:

"As a member of this Commission, I previously
expressed strong reservations to the construction
of oil drilling platforms in Santa Monica Bay.
This position is motivated by a desire to pre-
serve the natural beauty and attractiveness of
California for the millions of residents of the
Southern California area who visit or use our
beaches frequently and for the millions of tourists
who come to our State from all over the world.

My objection is not to the drilling itself
but to the unsightly platforms which would be
necessary. If it were feasible to conduct oil
pumping operations from ocean floor completion
wells once drilling was completed, as we have
done successfully off Santa Barbara and Ventura
County, my objections would be substantially,
if not wholly, overcome.

However, as of now, according to your staff
analysis, this does not appear to be economically
feasible. This means that platforms clearly
visible from the shore would be built to support
drilling operations, as well as pumping equipment
once the well is in production.

We are at a critical crossroad. We know that
to permit the City of Los Angeles to proceed with
oil drilling would set off a chain reaction in the
Santa Monica Bay. Other communities along the Bay
and the State itself would be under considerable
pressures to begin drilling, in order to protect
their oil resources from being drained off.
Ultimately, we would have a series of unsightly
drilling platforms spotted across Santa Monica Bay."
The intrusion of these platforms in the Santa Monica Bay would unquestionably damage one of California's most beautiful natural assets. We would be destroying part of the beauty which has brought to California residents and tourists alike. We would be making less pleasurable the use of our beaches and recreation facilities, and we would be damaging for generations to come the view of the ocean which is of great value to many of the residents of the area.

The State Lands Commission, it seems to me, has a serious responsibility to consider all of the effects which would follow from approval of Los Angeles' request. This responsibility goes to the citizens of California and to the many jurisdictions which would be affected by this decision: several cities, the County of Los Angeles, and the State itself.

According to the information furnished to us by your staff, the amount and quality of oil deposits beneath the Bay are unknown and unproved. To allow drilling when the potential revenue to the City is small in comparison to the potential damage to the attractive character and integrity of the Bay would be, in my opinion, unwise.

I know that you are as concerned as I am about preserving the beauty of our Southern California coastline. I hope that you will review this matter and will agree with me that the construction of oil drilling platforms off Venice and Playa del Rey would materially affect the beauty of Santa Monica Bay.''

GOV. ANDERSON: (continuing) I sent that to the Mayor and this, apparently, is what set off his release or statement because I happened to catch his news conference last night on television; and I heard him make statements on something entirely different from what we received from his own staff. He said last night in the paper "Once in production, drilling would be placed underwater."

Now, we have been told just the opposite of that --
at least, that is the information I have received. I think this should be clarified. Either the Mayor is mixed up as to what his own staff is recommending, or his own staff is not telling us the same thing they are telling the Mayor.

I wanted to bring this out because I surely don't consider myself an obstructionist to the Los Angeles program. I recognize their need for this kind of revenue, but I think we ought to have our facts straight, so the Mayor knows what he is saying and what we are saying.

You used the word "uncertainty." There is no question he said they would be placed underwater on the ocean floor and yet there is question on our part as to what they wish to do. This is my position and I wish to clarify it.

MR. CHAMPION: Do you wish to add anything before we call on the City of Los Angeles?

MR. CRANSTON: I'd like to hear from them first and then will have a comment.

MR. SPAULDING: My name is Arthur Spaulding. I am the Petroleum Administrator for the City of Los Angeles. Mr. Chairman, members of the Commission, it is a pleasure to be with you again. I think it does appear we have reached an impasse on this problem. I do have some additional remarks at the conclusion of the proceedings which we have arranged for you today, but at this time I would like to introduce Mrs. Harold C. Morton, who has remarks which I think bear on this whole problem.
MRS. MORTON: Gentlemen, good morning. I am Mrs. Harold G. Morton, member of City Recreation and Parks Commission -- which is in session at this moment, by the way -- so I shall make my remarks brief.

GOV. ANDERSON: You are a member of the Commission?
MRS. MORTON: I am a member of the Commission.

GOV. ANDERSON: Who is the Chairman?
MRS. MORTON: We rotate the same as you gentlemen.

GOV. ANDERSON: Who is the Chairman?
MRS. MORTON: I am a Past Chairman now.

GOV. ANDERSON: Who is Chairman now?
MRS. MORTON: Mr. Stanley Fox. I think no one would question the fact that you gentlemen want exactly what Mr. Anderson has so lucidly stated. I certainly know that the City Recreation and Parks Commission, with the eleven miles of beach front that are so important to us, will use every method -- and there are many new ones, as you gentlemen know -- to preserve the beauty of our shoreline and our offshore view.

I went through the type of distrust on Rancho Park, when the subject was first broached of drilling under Rancho Park. The residents and the users of the park arose to a man and a woman and objected vociferously and loud and earnestly. I took the City Council down to drilling operations. I stopped in the middle of the street and we got out, and I said, "Gentlemen, you are standing over so many producing oil wells." They said, "Well, it's in the middle of the street." I said, "O.
course."

All types of protection are available now, even to robots that go down to the floor of the ocean and make repairs on oil connections. I am sure that with the fine staff of Mr. Spaulding, and our general manager Mr. Frederickson, any protection that the Lands Commission desires can be made within the circle of the new procedures that the oil drilling operations now produce.

Under Rancho, many authoritative experts said there was no oil. Mr. Gene Starr, who had the Twentieth Century Fox concession for oil, withdrew his bid for slant drilling because we decided if we drilled, we wished to save that type of money for the City. There was Mr. Ed Pauley on the other side who wished to drill from far away. We drilled from a hillside section of Rancho Park. To date we have had over a seven million dollar return. There are no objections from the surrounding neighborhood of note. The drilling rigs are not permanent. They come in and do their work until they drill another hole and they are taken out. There is nothing there to bother the aesthetic sensibilities of those of us who are charged with obtaining money in the best way and the most legal way that we can.

I am sure you gentlemen understand from the topography other companies could drill from the shoreline that is not ours and if there is oil under the Santa Monica Bay, they could deplete our pool.
I can only assure you gentlemen that the esthetic angle is important to us, as it is to you; also the angle of obtaining moneys that otherwise might not come to the City.

Are there any questions you gentlemen would like to ask?

MR. CHAMPION: I have at least one -- I think two. If there is possibility of drilling from shore and you establish what is there, the character of it, would it not be possible to have unit agreements which would permit the City to participate to the extent it owns oil in that pool without having further drilling?

MRS. MORTON: I think you gentlemen must know much better than I the modern methods of drilling that are used and, of course, the one-mile limitation is going to be difficult to overcome if we are to obtain returns, if there are returns out to the three-mile limit. At the present moment we are constructing a pier, a beautiful fishing pier, in Venice that will go out twelve hundred feet to begin with. I am sure that any demand on drilling can be met. I am sure that if you gentlemen in the future feel that islands are necessary, they could be made an asset, not a detriment.

MR. CHAMPION: We are concerned, Mrs. Morton, if you follow the terms of the lease that our approval is asked for, we think there are limits on the ability of the City to insist on noneconomic practices by the lessee for esthetic

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reasons; that there is no question that you have written in good many controls and attempted in every way to preserve the City's position, but in our judgment it cannot, under the terms of a lease such as this, be perfectly preserved. That lease gives the lessee certain rights. It gives them the right to take oil, and if what you regard as a proper way to do it makes the operation noneconomic for him, we seriously doubt you can stop him from proceeding.

MRS. MORTON: Gentlemen, my only answer to that suggestion is we would have the backing of the Lands Commission in setting up safeguards, because I believe that our interests in that respect are identical.

MR. CHAMPION: We have tried to do this and we found ourselves legally inhibited from doing it under this lease form. That is precisely what the City and State tried to do.

MRS. MORTON: I think it can be done. I think it can be drilled and the unsightly islands and derricks can be removed if we receive returns or if we do not.

GOV. ANDERSON: What you are saying, Mrs. Morton, is just exactly what I have been saying; but what you have been saying is what we have been told could not be done. When you talked about the Rancho Park area, you said they put the rigs up and then they put them down?

MRS. MORTON: They are movable rigs.

GOV. ANDERSON: But they are not movable; they are platforms or islands that will be roughly two hundred twenty
feet up in the air.

MRS. MORTON: That is right.

GOV. ANDERSON: Then when they are through drilling, the permanent structure will be somewhere one hundred feet up. That's permanent; that stays there while the oil is being taken out. I was the one that said, "Why can't we take the oil out? Why can't we have wells on the ocean floor?" and we were told it was not feasible.

I didn't mean to embarrass you by asking who was the Chairman, but I remember testimony of another member --

I think it was Mr. Shane....

MRS. MORTON: Yes.

GOV. ANDERSON: ... and he identified himself somewhat as you did today, in favor of esthetics; but I remember his telling me that the Commission had been informed -- and I called him this morning before I came here because I thought he might be coming today; he couldn't actually remember his words but I tried to give them back to him. It was something to the effect that the Commission had favored ocean floor drilling too, but they had been informed ocean floor drilling was not feasible.

MRS. MORTON: It is too expensive.

GOV. ANDERSON: So it is not going to be done. So we are talking about islands, sitting one hundred feet in the air for the next ten, twenty, thirty years, however long they get oil out. I think this is why we asked for this study,
asked if we could get together, so we can work out some protection and not have these unsightly things in the Bay.

MRS. MORTON: I have talked with Mr. Morton about this at great length. He said at the present moment there is nothing impossible to the oil industry in the way of protection of the shoreline.

GOV. ANDERSON: No one knows more about this kind of business than your husband; I am well acquainted with him and I respect his ideas on this. I agree that the oil companies could drill and have ocean floor drilling. They, however, have apparently informed the people in the City of Los Angeles that if they were to do it, it would not be economically feasible and Los Angeles would not get the revenue on the bid they wanted. They, therefore, want to disregard that and go to the cheaper way and have the platforms or islands; and that's why I am going to vote against this, because I favor what you favor.

MR. CHAMPION: I might add that what you can and can't do are still somewhat up in the air because no one knows the character of the oil field that might be there.

MRS. MORTON: Those were the same statements that were made at Rancho. They said we could not go in and drill with portable drilling. So they put it out for bid and we obtained a $400,000 bonus and then after the cost of the wells a tremendous amount, and it has proved worth while; but at the time they said the same thing -- "It can't be done; it's
too expensive.* They don't say it can't physically be
done.

MR. CHAMPION: Are there any more questions of Mrs.
Morton? (No response) Thank you very much.

MRS. MORTON: Thank you, gentlemen, so much.

MR. GRANSTON: Mr. Chairman, I would favor an
exploration, if one can be undertaken, to determine how much
oil is involved in this field. If it is an immense field, I
think the industry can now, or can in the future, find a way
to develop that field without destroying the beauties of the
shore and sea. I think we, as members of the Commission, are
trustees not only of oil, which is a revenue source, but also
the beauties of the shore and sea; and I, for one, will not
approve a development that will interfere with the beauties
of the sea. I think a way can be found. I think the industry
is making great advances and if they haven't made it now, I
am confident they will soon make it. I am confident they can
protect that resource, as we have protected other resources.
I know millions of people enjoy the beauties of Santa Monica
Bay, and I have been among them; and I am going to see that
we find a way to protect that resource.

MR. CHAMPION: I might add that I think it is necess-
ary that we recognize the City's problem in that it does have
a potential trust responsibility here, which it is trying to
live up to; and we want to do what we can to help them do it.
There are several potentials. I think essential to any kind
of decision, however, is some more knowledge than we now have of the character of that oil field -- what kind of oil it is and the extent of it, and where it lies; whether potentially it can be unitized with proposed onshore drilling.

While I think all of us are saying to the City, "No," I think all of us are also saying we would like very much to explore this thing to learn all the facts that can be obtained even at some expense to the City and State; and instead of accepting a lease at this time, we agree on some other method of exploring the character of that field and enabling the City to protect their resources as well as protect the view.

MR. SPAULDING: Mr. Chairman, may I point out we have recently passed an additional SL zoning law and the lands in Santa Monica Bay are currently under this SL zone. We have additional safeguards in this zone, which are not in the lease form, which will protect the attributes you speak of. I add this because your remarks are made to the lease itself and these are additional laws with which the lessee will have to comply.

With your permission I will next introduce Mr. William Frederickson, Jr., General Manager, Los Angeles Department of Recreation and Parks, who will describe our beach problems and the use to which this income can be put.

MR. FREDERICKSON: Members of the Board, my name is William Frederickson, Jr. I am General Manager of the Los Angeles Department of Recreation and Parks. I certainly
compliment this Board, especially Governor Anderson, on the concern for the esthetic values. I think we are really all together and I think no one in this room is of a difference of opinion about that protection. I think maybe we are talking about a matter of judgment and the degree of the value, and I'd like to introduce possibly another view.

I am professionally dedicated to the beauty of our community -- our beaches, our camps, our parks, our golf courses; so I have to be with you in your premise and I compliment you. As a boy raised in the Los Angeles community, I used to visit the Venice area in the red car, and later I saw the decline of Venice -- not only because of the depression but also because of the fact of the lack of control, where we permitted oil drilling. Today, with adequate zoning laws, the community is beginning to come back socially, economically, and as far as the beauty of the beach is concerned.

We have just spent in the bond program approximately two million dollars for the development of the beach itself, much of which is in State ownership and we have only custody of it for a fifty-year period. A recent survey showed that forty-two per cent of the beach users in Santa Monica Bay come from outside of Los Angeles, so when we put in two million dollars of City money, we know we are serving others than in our community; but at the present time our capital funds have been depleted and there can be no further capital improvements in this area.
As we consider some of the possibilities, if wells are to be drilled and can be drilled from that island -- if that is economically feasible -- then we see the possibility of landscaping these islands with tall palm trees and making them available for recreation purposes, even while drilling is going on, for fishing from the perimeter of the island. But if built of rock, we will have the island there forever for yachts, camps, and so forth.

I have studied oil wells along the California coast and I do agree some of them are somewhat obnoxious. I suggest we have a comparatively different view.

Mr. Cranston spoke about the use of this facility. I have flown over this on busy days to note where the beach is used. You must have roadways to the beach, you must have parking there, you must have restroom facilities and life guard service; and there are days on the beach when there are no people on the beaches because there are no services. We need more money to stabilize the beach itself before we lose it, because it is traveling in a southerly direction because of the littoral tides, and it can only be stabilized by groins.

I agree while a platform is not the most beautiful thing in the world, we need to protect the beaches themselves. I say the oil caused the decline of Venice and I would hope that oil could build it up again to be one of the natural beauties of our area; and I think we have to realize if prime enterprise going to drain our oil under this area, we are...
going to lose the value of the oil. So long delay would be
detrimental not only to the City but to the State, and I
certainly urge that you give us the opportunity of using the
zoning laws we have to protect this and therefore take an
affirmative vote on today's action.

Thank you, gentlemen.

GOV. ANDERSON: Mr. Frederickson, you mentioned
the beautification of islands -- palm trees and things like
that. When you think of that, it sounds very nice; but they
have been telling us about making these platforms more
esthetic. Have you in your travels ever seen a platform that
you would consider esthetic?

MR. FREDERICKSON: I have not, Governor.

GOV. ANDERSON: This is what we are talking about
here -- platforms two hundred feet up and permanently one
hundred feet in the air. Now, I'd love to see you come up
with something that would beautify this area, but up to now
we are talking about an actual vote for or against something
that would permit this kind of platform. I have not have
understood you on my next point -- that the City of Los
Angeles budget for Parks and Recreation was somehow tied...?

MR. FREDERICKSON: I said further development by
capital investment along the beaches will have to come from
tidelands development.

GOV. ANDERSON: I would like to point out that there
are lots of places that provide beaches that do not have any
oil revenue, and I think it is a kind of sad thing if the City of Los Angeles could not provide its own parks and beaches without added income.

MR. FREDERICKSON: I stated we had spent two million dollars in Venice on the beaches alone.

GOV. ANDERSON: I want to congratulate the City on the progress you have made since those early days. I don't want to be negative on these things. I want to congratulate the City on what they are doing, but there are also other things we have to decide.

MR. FREDERICKSON: Thank you.

MR. CHAMPION: Mr. Spaulding, is there anything further?

MR. SPAULDING: Yes, Mr. Chairman. For the Commission's benefit, I would like to summarize recent events in City oil developments. On September 14th, a week ago Monday, the Standard Oil Company filed applications for the establishment of four oil drilling districts extending from the city boundary of Santa Monica on the north to Washington Street, which is essentially the northern limit of Marina del Rey, on the south. The total area covered by these districts is approximately one hundred sixty acres.

Now, these applications were based upon a core hole drilled by the Standard Oil Company in the vicinity of a location within these proposed districts, and results from this core hole are so satisfactory that it is reasonable to
expect development will drain land under the control of the
Recreation and Parks Department. This is our fear -- that
production from these four districts will ultimately drain oil resources which the City has in its property adjacent to these. So the City will lose valuable revenues, probably in the order of tens of millions of dollars; and the action, proposition we have before you, is one of our steps taken to prevent this loss of oil revenue.

So I wanted you to understand the reasons behind what we have done, to enable you to better make your decision today, and I do request you do make a decision today.

MR. CRANSTON: Is all the drainage of the City's resources coming from potential onshore drilling?

MR. SPAULDING: This is correct.

MR. CRANSTON: Would it not be possible for the CRY to find onshore sites that would protect it from drainage?

MR. SPAULDING: This is one of our programs. In fact, we hope to have a proposal before you to have leases within one mile onshore.

MR. CRANSTON: This would seem to be a different approach and one easier for the Lands Commission to go along with, provided there are adequate safeguards of your drilling. We have seen safeguards and your previous witness was able to list safeguards that have been taken.

MR. SPAULDING: Indeed, these safeguards as applied to other areas of the City would be applied to a shoreline site.
MR. CRANSTON: Then it would seem to me that the threat of drainage does not drive us to the islands.

MR. SPAULDING: Obviously, any drainage that would take place would relate to those lands closest to Standard's secondly, it would be the lands in the proposition before you today.

MR. CHAMPION: What if you could have a unitized field?

MR. SPAULDING: I am not sure I understand the question.

MR. CHAMPION: In other words, if you form a unit the area you feel would be drained here and entered into agreements with Standard and whoever are the onshore driller so you would realize your proper share of those revenues without the necessity of any further drilling on your part.

MR. SPAULDING: Well, this is a possibility. However, the lands which the City owns offshore are all owned laterally by the City. Standard is not a part of that property.

MR. CHAMPION: That is not necessary for unitization.

MR. SPAULDING: That is correct; and in the same it is not necessary for the City to consider a unit agreement combining lands on our shoreline. In other words, we have enough land of our own to get leases ourselves, without uniting with Standard.

MR. CHAMPION: But it may be desirable to do so. The minimum amount of wells in a scenic area is desirable, if it doesn't put you in a competitive position....
MR. SPAULDING: We do have this in mind -- don't misunderstand me.

GOV. ANDERSON: Mr. Spaulding, your title is what?

MR. SPAULDING: Petroleum Administrator and Assistant City Administrative Officer.

GOV. ANDERSON: You advise the Council on these things?

MR. SPAULDING: Yes -- when requested.

GOV. ANDERSON: Now, were you the one that advised I was wondering where the Mayor got his facts -- that once in production drilling would be placed underwater.

MR. SPAULDING: We have tried to advise the Mayor and Council on all matters of such importance as this. In this case, there was no connection between the Mayor, Mr. C. Irwin Piper, my superior, and myself.

GOV. ANDERSON: In other words, that drilling would be put underwater -- whatever facts he got came from someone other than you or the people in your department?

MR. SPAULDING: Let me answer your question, Governor Anderson -- we, of course, would stress completion of wells on the ocean floor and this would be our aim on any lease we had offshore; and I think this was the Mayor's comment, on the stress we would place.

GOV. ANDERSON: Weren't you one of the parties that said this would not be feasible, when you advised your own Parks and Recreation Commission? I understood you were there.
I wasn't there, but I understood you were the one, or some-

one on your staff, that told them ocean floor drilling was
not feasible and that's why you changed the application and
asked for the platforms on the island.

MR. SPAULDING: Let's say ocean floor drilling is
completely infeasible but the completion of wells on the ocean
floor is a possibility.

GOV. ANDERSON: In other words, you are saying in
this agreement you are suggesting to us that once the oil
wells were drilled, you would take the platform down and put
the well on the ocean floor?

MR. SPAULDING: We think that any drilling which
would take place at the outset would be from floating 'arges.

GOV. ANDERSON: And would you be telling the oil
companies when they did that, when they drilled from the sur-
face, they would then take the platform down and put the well
on the ocean floor? There is nothing like that in your
contract.

MR. SPAULDING: We would place strong emphasis on
that, Governor Anderson.

GOV. ANDERSON: I am not talking about emphasis.
Is there anything in the lease that says they would have to
put it on the ocean floor?

MR. SPAULDING: There is nothing in the lease.

GOV. ANDERSON: So when the Mayor makes that state-
ment that once oil wells would be drilled they would be placed
underwater, it is not there. It is an emphasis that is not there. If you were drilling and trying to get the most results for your company, you would not take away a platform and spend many millions of dollars to put the well on the ocean floor if it is uneconomic. If you would, you are not working for my company.

MR. SPAULDING: There are other provisions in the zoning.

GOV. ANDERSON: Is there any provision either in the zoning or in the lease or any other City ordinance which makes mandatory that these wells are under the surface of the water?

MR. SPAULDING: It is not mandatory, Governor Anderson.

MR. CHAMPION: I think in our analysis of the latest language -- we'd like to know if our analysis agrees with yours -- there is specific language dealing with underwater wells, but at least in our judgment if the company makes a defensible economic position of good oil practice, the City has no way to overcome this opposition -- the option goes to the lessee in this lease. The City can bring certain pressures to bear, but it cannot be sure that its position would prevail as to whether there would be underwater drilling. That is our staff analysis.

MR. SPAULDING: Mr. Chairman, there is a provision in our contract which requires the City to approve any installation which is proposed by the lessee, and we assume this would
cover any such installation as Governor Anderson describes.

MR. CHAMPION: I think legally we are aware of that language and the analysis of that was that this was up to the point of reasonableness, and in exploitation of the lease the City would be hard put not to let them do anything.

MR. SPAULDING: I think if we required that, it would be outside of the bids we received.

MR. CRANSTON: I wonder if we could go ahead with other matters. Does the City have other witnesses? (No response)

Mr. Chairman, I would like to make the following motion: That we deny the application that is before us; that we instruct the staff to explore with the City the alternate approaches that we have discussed today; that if possible we find a way of learning more than is presently known about the oil presumed to be there before we come to the point of decision; that we seek ways of protecting the esthetic values, which are immense; and that we seek a lease form which does not commit the City and State to a form of development which is only deemed to be economic by the oil company and does not take adequate account of the esthetic values we are determined to protect.

GOV. ANDERSON: I'll second.

MR. CHAMPION: Stands approved.

MR. MINTER: I am Rex Minter, Mayor of Santa Monica, and I am certainly in favor of the motion; but I would like
to submit a motion in opposition to the granting of this contract. I won't be redundant because we are very much in favor of the motion Mr. Cranston just made, so we will just submit this.

MR. CHAMPION: Are there any others who would like to present statements?

MR. EVANS: Mr. Chairman, my name is John Evans, I live in Venice. Today I am representing the Venice Civic Union, and I want to thank you on behalf of the residents of Venice, my friend Mr. Chairman, for Mr. Cranston's motion, and my former colleague in the Assembly, now Lieutenant Governor, for his second. Thanks a lot.

MR. FOSTER: Mr. Chairman, Commissioners, I have five points here, but only one of them ....

MR. CHAMPION: Would you identify yourself for the record?

MR. FOSTER: I am Glenford J. Foster, President of Marina Peninsula Property Owners Association, Past Chairman of Venice Planning Committee, present Chairman of the Oil Committee of the Venice Planning Committee. I have one point that hasn't been brought out -- I have a letter here and I will give it to you. We are concerned with the beauty of our California coastline and ask that you consider the extension of the Sunset Seaway idea south to make the Venice Aquatic Park which could be constructed to provide sites for oil drilling cellars. This is engineeringwise feasible, and I'd
like to have you gentlemen consider this.

MR. CHAMPION: I think that certainly can be taken into consideration in the staff discussions. Thank you very much. It has been moved and seconded - - Do we have further testimony?

DR. GORDON: Mr. Chairman and members of the Commission, my name is Doctor Basil Gordon and I am the president of the Association to Save Santa Monica Bay Beaches, which is a civic group opposed to oil drilling in Santa Monica Bay.

MR. CHAMPION: Is this a new group?

DR. GORDON: This is a relatively new group formed not many weeks ago, but during those weeks we have been very active indeed in circulating petitions against the oil drilling; and we now have some thirteen hundred signatures on our petitions. Our petitions are also against putting freeways in the Bay, so they have to go to the Highway Commission, but I would like to submit them, if they can be returned at the end of the meeting. Originally, I had a more lengthy statement, but in view of what seems now intended, I'll just cut it short.

We are grateful and very much in agreement with the motion made by Mr. Cranston. We feel that if Los Angeles starts drilling in Santa Monica Bay, then all of the other communities will be put under tremendous pressure to do the same, and that our Bay will just be completely ruined by these platforms, I have seen other beaches where there were only one or two platforms and, believe me, that is quite adequate
to destroy the entire scenery of the Bay.

Incidentally, it might also drive the land values
down to the extent where it might offset the revenues.

One other point -- Our figures of lifeguards in
Santa Monica City alone, only a small portion of the Bay,
show that two and one-half million visitors were there last
month. I think we can safely say the over-all attendance in
Santa Monica Bay was over ten million people, and we are very
hopeful that this Commission will think of the people involved
with this very great source of recreation, and hope their
view will be taken into consideration as well as the economic
value of these oil fields.

Thank you very much.

MR. CHAMPION: The Commission can stand a certain
amount of gratitude, but ...

MR. SIMON: My name is Kurt Simon. I am a property
owner and alternate member of the Venice Planning Commission.
I just wanted to add more gratitude. You explained it much
more lucidly than I had planned to do. I am going to reduce
it to two minutes. I just want to add one point to the mystery
conflict between the underwater or not underwater platforms.

You may find in the record that the property owners
and the Property Owners Association approved of the new zoning
district. We were promised in various meetings which were
conducted by our City councilmen, by the vice president of
Standard Oil, by various City officials, by our oil administrator,
by the head of the Planning Commission -- we were assured that these platforms would be temporary only; and, of course, you can imagine people in Venice have misgivings about the oil industry and only after long debates did we give our approval. We were amazed when we finally saw in the last draft that nothing was mentioned, and some harsh words were spoken -- but to no avail. So I am happy that you have looked into this. If you should find in the record that the property owners agreed to the oil drilling offshore and to the formation of the new district, this is the reason.

I would add a little story. I know a painter. He is not a very good artist, who has made a small fortune in Texas and Oklahoma painting oil derricks on canvas, going to the owner of the oil well and saying, "Your oil well -- isn't it beautiful?" And he gets three, four, five hundred dollars for a picture of an oil well to hang in his office. To him, his oil well is the most beautiful thing in the world, but to most people oil derricks -- and to me, too -- are not.

Thank you very much.

MR. CHAMPION: I might add if you owned that oil derrick, you might feel differently.

MR. SIMON: I do own a considerable amount of property -- over twelve lots.

MR. CHAMPION: I guess that concludes the discussion.

The motion was before us -- Ch, one more.

MR. GOODEN: I am Willis C. Gooden. I am president
of the Harbor Residents Property Owners Association. We get
our name because we are around the Marina del Rey. We get
every property owner from Lincoln Boulevard to the ocean.

I want to cite a few things I think you should take
into consideration and this should be of grave importance to
the City. The County owns the harbor and any ways of discour-
aging people from coming to the harbor is of grave importance.
Let me cite, for example, the danger of the Marina del Rey
harbor, for the thousands of boats that go in and out of that
bay. There will be as many as six thousand boats going in and
out of there as it is fully developed. They cruise up and
down the shoreline. They go all the way out to the three-mile
limit and beyond that.

Now, any residue or leakage or brine that might go
out into the ocean -- these boats have to travel through it.
You hope to get a nice big lungful of fresh air and what do
you get -- a nice big lungful of oil fumes. And may I say
that we who live on or near the ocean -- and I have lived
there thirty-five years in the oil fields; my experience with
them started when my parents came there -- certainly know
about oil fields.

We experience nice breezes. We get a lot of fresh
air, and we experience a lot of things with oil wells, especially
after they are developed. We wouldn't want, instead of a
fresh breeze from the ocean, to have a multiple of odors com-
ing from the oil wells -- instead of getting fresh air, getting
oil fumes. We at least get a little fresh air now, but we won't stand a chance when these are out in the ocean.

You are talking about law to protect us, and I will include even the SL zoning law, to give us all the protection in the event oil well drilling is done offshore; but I have been fighting the oil wells for ten years. I am fighting them this minute to get them to abate nuisances and in the last six weeks they have had four violations. These people will do nothing, and even if they are told they are in violation of the law, they won't do it.

MR. CHAMPION: I think, sir, we are getting a little far afield.

MR. GOODEN: Let me make it short this way. I just want to read this notice: "You are hereby notified to discontinue such premature discharge. You must discontinue any further discharge into the ditch." This letter was sent on August 12th. This is September 24th. He has not discontinued it in compliance with the law. This is just an example. If anybody thinks we are going to get any protection for those offshore wells, it will be the same problem as far as I am concerned.

MR. CHAMPION: It has been moved and seconded. I think everyone understands the motion. If there is no further testimony, it will stand unanimously approved.

(Balance of meeting, concerning Long Beach East Wilmington Field, has been reproduced on stencils.)
CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing pages one through forty-nine, together with pages one through fifty-one reproduced on stencils (of that portion of meeting re Long Beach Unit East Wilmington Field) are 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 September 24, 1964.

Dated: Los Angeles, California, October 3, 1964.

[Signature]