TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA

November 18, 1965
PARTICIPANTS:

THE STATE LANDS COMMISSION:

Hon. Alan Cranston, Controller, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Hale Champion, Director of Finance, absent -- represented by Mr. John P. Sheehan, Chief Deputy Director of Finance

Mr. F. J. Hortig, Executive Officer

APPEARANCE:

Mr. Harold A. Lingle
Chief Deputy City Attorney of the City of Long Beach

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**SUPPLEMENTAL** (IN ADD'N TO 9)

NEXT MEETING 27
MR. CRANSTON: The meeting will please come to order.

First item is confirmation of minutes of meetings of July 20 and of August 26, 1965.

GOV. ANDERSON: So move.

MR. SHEEHAN: Second.

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

(a) Fairfield-Suisun Sewer District -- Permit to dredge approximately 9,000 cubic yards material, without payment of royalty, from 7.8 acres tide and submerged lands in Suisun Slough, Solano County.

(b) City of Oxnard -- Acceptance of quitclaim deed for leasehold interest in Lease P.R.C. 432.9, covering outfall easement into Pacific Ocean near Hueneme, Ventura County.

(c) County of Sacramento -- 49-year easement, 4.132 acres tide and submerged lands of Sacramento River, Yolo and Sacramento counties, for maintenance of existing bridge.

(d) State Department of Public Works, Division of Highways -- Reservation for right-of-way purposes, 3.857 acres sovereign lands of American River, Sacramento County.

GOV. ANDERSON: I move.
MR. SHEEHAN: Second.

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

Classification 4 -- Permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission:

(a) Val Logan -- Five-year recreational minor-structure permit, 0.073 acre tide and submerged lands, Piper Slough, Contra Costa County, for floating boat shed and walkway. Total rental, $25.

(b) A. L. Waltz -- Five-year recreational minor-structure permit, 0.077 acre tide and submerged lands, Piper Slough, Contra Costa County, for floating boat shed and walkway. Total rental, $25.

(c) Sam Martini, d.b.a. Caliente Yacht Club -- 15-year lease, 0.548 acres tide and submerged lands, Taylor Slough, Contra Costa County, for construction of thirty-one small-boat berths. Annual rental, $325.

(d) Pacific Gas and Electric Company -- 15-year lease, 0.27 acre submerged lands of Sacramento River, Butte and Glenn counties, for two 12-3/4" diameter gas lines. Total rental, $160.80.

(e) Pacific Gas and Electric Company -- 49-year easement, 0.224 acre tide and submerged lands of Alameda Creek, Alameda County. Relocation as emergency action necessary for maintenance of tidegate structure -- requested by
Alameda County Flood Control and Water Conservation District. Consideration is a quitclaim deed to original site covered by a perpetual easement.

(f) Jack Hunt West, Jr. -- Permit to dredge approximately 584,000 cubic yards material from bed of Novato Creek, Marin County. Royalty rate of $0.05 per cubic yard to apply to that material (approximately 252,000 cubic yards) which is deposited upon private property. Balance of material to be deposited on State property.

(g) Gerard C. and Mary V. Wagner -- Issuance of quitclaim deed of State's right, title and interest to all deposits of minerals including oil and gas in Lot 105, Grandview Terrace, Highland Park, Los Angeles County; consideration, $10.

(h) Signal Oil and Gas Company, Pauley Petroleum, Inc., and Edwin W. Pauley -- Approval of assignment to Union Oil Company of California of portion of lands covered by Oil and Gas Lease P.R.C. 3177.1, Orange County. Assignors retain a production payment in the assigned lands.

(i) Huntington State Company -- Approval of assignment to H. R. Hamilton, et al of an interest in Oil and Gas Lease P.R.C. 91.1, Orange County, pursuant to a plan of voluntary dissolution by Huntington State Company.

(j) H. R. Hamilton, et al. -- Approval of assignment to Signal Oil and Gas Company of interests in Oil and Gas Lease P.R.C. 91.1, Orange County; assignors retain a production payment in the assigned lands.
(k) Humble Oil and Refining Company and Texaco Inc.--
Deferment of drilling requirements, Oil and Gas Lease P.R.C. 186.1, Orange County, through June 30, 1966. Additional development drilling should be compatible with operations under the adjacent Long Beach Unit.

(l) Richfield Oil Corporation -- Deferment of drilling requirements, Oil and Gas Lease P.R.C. 1466.1, Ventura County, through June 30, 1966. More time is needed to evaluate results of $61,000 water-flood operations.

(m) Texaco Inc. -- Deferment of drilling requirements, Oil and Gas Lease P.R.C. 2206.1, Santa Barbara County, through June 13, 1966. More time is needed to evaluate complex seismic data to determine positioning of next exploratory well.

GOV. ANDERSON: Frank, just a little information on that item of deferment, item (l). That deferment has been going on since October 1960?

MR. HORTIG: That is correct.

GOV. ANDERSON: What is our policy on that? Isn't that an awfully long time to let something drag out?

MR. HORTIG: It isn't a case of dragging out, Governor. It is the time that has been utilized to evaluate, up to the time of the initiation of this water-flood operation, all the additional geological and seismic data in order to determine if there was an effective location under the lease to which it would be economically feasible to drill a
well. Not up to that time having such an evaluation, concurrently Richfield also started a pilot water-flooding operation within the limits of the lease and within the limits of the established production; and in order to determine where any additional wells should be drilled, it is now necessary to let the water operation go forward and give us a series of pressure measurements throughout the reservoir to indicate where it might be economical to drill additional wells.

GOV. ANDERSON: What do they have there now?

MR. HORTIG: They have an island....

GOV. ANDERSON: Do they have a derrick?

MR. HORTIG: This is the island that is surrounded by concrete petrapods about a quarter mile offshore in the Rincon Oil Field. It has a few palm trees up there and there is a service derrick.

GOV. ANDERSON: I see a derrick up there. Are they using that?

MR. HORTIG: Yes, in connection with the evaluation of further drilling and anticipation of the drilling of the additional wells, if the water-flooding operation should indicate they can drill additional wells.

GOV. ANDERSON: But they have been using it since 1960.

MR. HORTIG: They have been using it since about 1955.
GOV. ANDERSON: I am a little confused. We have delayed their drilling requirements since 1960. Have they been using it for drilling?

MR. HORTIG: They have been using it for servicing, as well as for drilling and perforating water injection wells for this pilot water operation.

I think the answer to your question, Governor, is that if the continuation of this water-flood operation during this period indicates that there are no other economic locations for 'lling additional wells, the drilling derrick will be taken down and there will be only a servicing derrick for so much of the operation on which it is necessary to continue maintenance on the existing wells, and the probability is that the area for which the deferment of drilling requirements has been requested will be quitclaimed.

GOV. ANDERSON: That's what I wanted to know. I don't want a derrick to sit there. In other words, we are in the sixth year. How long are we going to have that derrick there?

MR. HORTIG: The service derrick, of course, can be laid down flat and put up when necessary; but it has been up continuously since 1960 because it was actually used for drilling wells—servicing wells, and drilling the water wells and perforating the water wells.

Actually, during this period of time the derrick that was there was a shorter service derrick and not a full
size derrick.

GOV. ANDERSON: I don't like the idea -- maybe it is impractical but I do not like the idea of a derrick sitting up there just for servicing purposes and I had hoped after they drilled these things the derricks would be taken down and put up only for service. There has been no drilling since 1960. We are in our sixth year ...

MR. HORTIG: No, there has been exploratory drilling and there has been drilling for establishing these water injection wells which were necessary for the water-flood operation.

GOV. ANDERSON: This same policy could be adopted by anybody doing drilling operations out in the water. In other words, the derricks can stay up continuously. I thought after they got the wells drilled and in operation the derricks would come out. and if they needed them for servicing they would go up.

MR. HORTIG: This is all correct.

GOV. ANDERSON: If this is going to be another four years ....

MR. HORTIG: No, because, as I say, the evaluation of this water operation in this next six-month deferment will determine whether or not there will be any additional wells drilled. If there are not, there is no longer the need for a drilling derrick on that island and there will be installation of a service derrick as and when needed for servicing.
You have to recognize, of course, that with upwards of fifty wells on the island, it is impossible to predict the frequency and the continuity with which a service derrick may be needed. So it may be standing there for a considerable period of time, as it is moved from one well to another where needed for servicing.

The operators would be very happy if the wells would not require servicing and would continue to operate without maintenance work.

GOV. ANDERSON: Then I think we should be given the true story when they drill that the derrick isn't going to come down. What I hoped was that once the drilling had taken place, we would be taken down and we are going to have some beauty work done. What you are telling us now is true, the derricks will be taken down and we are going over to the next well for servicing. Just go the people know that once the derricks go up, they just go down.

MR. HORTIG: There is the distinction that the servicing derrick is a much shorter derrick than the operating derrick.

GOV. ANDERSON: I haven't seen any difference.

MR. HORTIG: No, because, as I said, they had to drill for these water injection wells and re-perforate.

GOV. ANDERSON: I'd like to see the derricks away. I just hate to see a lot of derricks going up and staying
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The operators would be very happy if the wells would not require servicing and would continue to operate without maintenance work.

GOV. ANDERSON: Then I think we should be given the true story when they drill that the derrick isn't going to come down. What I hoped was that once the drilling had taken place the derrick would be taken down and we are going to have some beauty out there. If what you are telling us now is true, the derricks never come down; they just go over to the next well for servicing. Then we should let the people know that once the derricks go up, they never come down.

MR. HORTIG: There is the distinction that the servicing derrick is a much shorter derrick than the operating derrick.

GOV. ANDERSON: I haven't seen any difference.

MR. HORTIG: No, because, as I said, they had to drill for these water injection wells and re-perforate.

GOV. ANDERSON: I'd like to see the derricks away. I just hate to see a lot of derricks going up and staying.
there permanently. I sure don't want to be a road block on this, but I think we ought to try to work out some way to keep our beauty -- because we are going to have a lot more wells in a few years.

MR. CRANSTON: What could be done about it?

MR. HORTIG: Everything that could be done, I think, practically at the moment is being done. In all instances where a drilling program has been completed -- the platforms immediately to the north of Santa Barbara is a typical example -- the drilling derricks have been removed and the service derrick has been erected only at such time as has been necessary to perform required maintenance work; and, of course, the operators prefer to do an excellent job every time there is a reconditioning of a well, so there will be maximum operating time during which they do not need the derrick.

Again, this is dependent upon how many wells there are in a location and the frequency of possibility of trouble in a particular well; and when a well has to be worked on, there is no other methodology or technology today other than using the derrick.

MR. CRANSTON: What are the heights of the operating derrick as compared with the servicing derrick?

MR. HORTIG: Ninety feet as against one hundred thirty-two or one thirty-seven.

MR. CRANSTON: Is the maintenance derrick, when you
reach that stage, up all the time?

MR. HORTIG: No, sir. They are portable and laid down flat when they are not in use.

GOV. ANDERSON: This one has never been taken down.

MR. HORTIG: It has been replaced at different periods of time and we can go back and give you a log report on it. It has been replaced at times by a maintenance derrick.

MR. CRANSTON: Is it possible to put the drilling derrick down when it is not being used for drilling?

MR. HORTIG: It is extremely difficult. It is of such a size and such a design that it was not intended to be laid down. They just aren't designed this way -- they haven't been.

GOV. ANDERSON: Did you say this one had been replaced by a shorter one in this interval?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: Why did they put this one back?

MR. HORTIG: For the additional drilling of the water injection wells and the exploratory wells that were drilled that resulted in further requests for deferment because the exploratory wells did not indicate any economic location for any new producing well.

GOV. ANDERSON: I am trying to think back to 1960 when we deferred this for the first time. Were we given any indication this was going to drag out for six years?
MR. HORTIG: No, sir.

GOV. ANDERSON: It seems to me these were for six months or for a year and I just wondered if we were given any indication...

MR. HORTIG: Since 1960, Governor, the Commission has not granted a deferment for more than six months -- because of your motion and suggestion, it was felt desirable that there be a review of the necessity for periods any longer than six months in length.

GOV. ANDERSON: It seems to me we ought to be told it is going to last five years, or at least warned it may be up there. That's why I am asking the question now. You say this is in the last stages, but I am wondering if it is going to last six months or four years.

MR. HORTIG: Reasonably within the last year.

GOV. ANDERSON: In other words, this would be the last deferment on it?

MR. HORTIG: Certainly there could be no staff recommendation on adverse findings in this water-flood operation, but rather a request for a quitclaim of the undeveloped area -- which would eliminate the need for further request for deferment of drilling operations.

MR. CRANSTON: I certainly concur with your concern.

GOV. ANDERSON: I'll move it.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved and seconded, approved
unanimously.

Classification 5 -- City of Long Beach (Pursuant to Chapter 29/56, 1st E.S. and Chapter 138/64, 1st E.S.)

(a) Pier E, Berths 118 and 119; additional fill.
Upland subsidence, Termo Lease -- Subsidence cost determination as result of final audit, with credit due State of $432.99 for AFE 331; credit due City of $2.25 for WO-55; and authorization for appropriate written instruments.

(b) Replacement of 12-inch water line in Windham Avenue and Harbor Scenic Drive -- Estimated sub-project expenditure November 18, 1965 to termination of $15,000, with $13,200 (88%) estimated as subsidence costs.

(c) Determine that proposed expenditure of approximately $486,000 for raising and repairing Naples area bulkheads is in accordance with Chapter 138/64, 1st E.S.

(d) Determine that proposed expenditure of approximately $60,000 for construction of Girl Scout Marine Landing adjacent to Long Beach Marina is in accordance with Chapter 138/64, 1st E.S.

GOV. ANDERSON: I'll move it.

MR. SHEEHAN: Second. Is that Girl Scouts or Sea Scouts?

MR. HORTIG: That's Girl Scouts. The Sea Scouts' landing has been previously approved.

MR. CRANSTON: Moved and seconded and approved unanimously.
Classification 6 -- Land Sales. (Cleared with all State agencies having a land-acquisition program):

(a) Authorize the sale to Nicholas Fisher and to Joseph Bodo of 160 acres each of school lands in San Bernardino County at $3,281.60 for each 160 acres; appraised value, $2,800.

(b) Authorize the sale to Harwood Investment Company of 80 acres school lands in Mendocino County at $60,080; appraised value, $57,720.

MR. SHEEHAN: Move approval.

GOV. ANDERSON: Second.

MR. CRANSTON: Moved, seconded, approved unanimously.

7 -- Oil and Gas Lease Offers: (a) Authorize Executive Officer to publish notice of the Commission's intention to consider offering leases for extraction of oil and gas from area of tide and submerged lands surrounding San Miguel, Santa Rosa, and Santa Cruz Islands, and extending seaward three nautical miles from line of ordinary low water.

MR. HORTIG: Mr. Chairman, the recommendation as it appears on page 36, describing the area for which the proposed notice of intention would be published, should be supplemented by an additional sentence reading:

"Said area shall also include tide and submerged lands owned by the State of California lying within three nautical miles of the outermost permanent harbor works
affixed upon or adjacent to said islands and State-owned tide and submerged lands lying within three nautical miles of the line of ordinary low water of rocks offlying said islands (including Richardson Island) and within three nautical miles of low tide elevations lying wholly or partly within three nautical miles of said islands and rocks."

This is the end of the addition, and the addition is made to conform the description with the intent of the most recent Supreme Court decision relative to the boundaries of State-owned tide and submerged lands.

GOV. ANDERSON: Where is Richardson Rock?

MR. HORTIG: Richardson Rock lies westerly of San Miguel Island. It appears on your plat following page 36. It is the dot....

GOV. ANDERSON: I see it.

MR. CRANSTON: Item (b) Award to sole bidder, Standard Oil Company of California, of Parcel 26A Oil and Gas Lease, 5,300 acres tide and submerged lands, Ventura County, for cash bonus payment of $1,714,633.

Motion is in order, taking into account Frank Hortig's addition.

GOV. ANDERSON: I'll move.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved, seconded, approved unanimously.

8 - Administration -- (a) Authorize Executive
Officer to execute and amend interagency agreement with Department of General Services, Office of Architecture and Construction, providing for delineating, drafting, and engineering services to State Lands Division for 1965-66 fiscal year, payment to be the actual costs not to exceed $8,000.

MR. SHEEHAN: So move.

GOV. ANDERSON: Second.

MR. CRANSTON: Moved, seconded, so ordered.

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

GOV. ANDERSON: So move.

MR. SHEEHAN: Second.

MR. CRANSTON: Confirmation moved, seconded and approved unanimously.

Informative only, no Commission action required: (a) Report on status of major litigation.

Frank, do you have anything?

MR. HORTIG: Nothing specific beyond the written report to the Commission, Mr. Chairman -- unless the representative of the Attorney General's Office would desire to amplify, and he has just indicated he would not.

MR. CRANSTON: Supplemental items:

Approval of Fourth, Fifth, Sixth, and Seventh Modifications of the 1965 Plan of Development and Operations and Budget, Long Beach Unit, Wilmington Oil Field, Los
Angeles County.

GOV. ANDERSON: I had one question on that. Now, the Seventh Modification of the '65 Plan of Development on your page 42 -- Frank, would you explain that a little bit?

MR. HORTIG: Although the reference is to the desirability for this modification in order to afford maximum timing or maximum time within which a foreign bidder can decide on bidding and with foreknowledge as to a delivery date which he is going to have to meet, actually this is an advantage to all bidders; but, patently, it is a necessity for a foreign bidder -- to arrange for a longer period of time for delivery from distant ports where the material may be manufactured and shipped, in order to be certain that it gets to Long Beach, California, where the materials would be used, and that it gets there within the contract time which the bidder must guarantee will be the case.

Probably the best example and the need for this is that the steel on which bids were received for the wells to be drilled in the first quarter of 1966 required, in all of the low bids, a statement that delivery could not be made prior to sixty days after award of the order. As it turns out, with the early approvals by the Commission and action by the City and the THUMS Company in securing the bids, this is sixty days after today.

After the approval of the modifications proposed here for the budget and the operating plans, orders placed
during this week will permit deliveries early in 1966, at the time required by the THUMS Company and even by the foreign bidders who have a delivery problem to meet. In the Seventh Modification, it is proposed that we have this authorization for commitment of this money in connection with the bids that will be called for the second quarter; and by doing that and placing the orders as early as prior to the end of this year, this will mean that all the bidders will know that they have at least ninety days within which to arrange for their deliveries and it is hoped that this additional period of time for all bidders, domestic and foreign as well, this advantage for planning and delivering on schedule, will result in lower bids for the second increment of steel -- even lower than the first increment.

GOV. ANDERSON: Do I understand this modification applies only to the second quarter?

MR. HORTIG: This is correct.

GOV. ANDERSON: In other words, it does not apply to the ones presently ordered?

MR. HORTIG: Well, both, actually. It is ... .

GOV. ANDERSON: What are we doing? What is the modification?

MR. HORTIG: All you are doing is authorizing the THUMS Company to commit funds that are already authorized in the 1966 budget and that will be paid in the 1966 budget, but to commit them on the basis of orders to be placed now.
for deliveries in 1966. As the 1966 budget is approved, it contemplated the expenditure of the money in 1966 and it still will be so done.

GOV. ANDERSON: Are these commitments for contracts that have not as yet been let?

MR. HORTIG: Yes.

GOV. ANDERSON: How do they know how much they will be? They had bids?

MR. HORTIG: For the first quarter, the bids are in.

GOV. ANDERSON: I understand the first quarter. I am a little bit confused how you commit for something...

MR. HORTIG: The second will be authorized...

GOV. ANDERSON: ... without knowing what the price is.

MR. HORTIG: ... to the low bidders for the second quarter, which bids are still to be received; but rather than come back twice --

GOV. ANDERSON: How about a foreign supplier? How do they know they are going to be the successful bidder or not the successful bidder?

MR. HORTIG: With this authorization to the THUMS Company to commit 1966 funds in 1965, they can immediately go forward and call for bids for the second quarter.

GOV. ANDERSON: In other words, the bidding structure will be moved ahead?
MR. HORTIG: This is correct.

GOV. ANDERSON: That will be the major modification?

MR. HORTIG: And thereby will be moved ahead sufficiently so that contract awards can be made.

GOV. ANDERSON: How far ahead will the bidding be made?

MR. HORTIG: It would be desirable, and the schedule contemplated is, that the bids will be invited immediately and, therefore, contracts could be awarded before the end of this year.

GOV. ANDERSON: In other words, bids now and award this year for the second quarter next year.

MR. HORTIG: Therefore, the successful bidders who receive the contracts would know they had ninety days until April first for the earliest deliveries in the second quarter of next year, to arrange for their transportation, to be sure they get the materials delivered to Long Beach, California.

GOV. ANDERSON: How much time do they have on the present ones for the first quarter?

MR. HORTIG: Sixty days.

GOV. ANDERSON: Sixty days?

MR. HORTIG: And it is felt that extending the opportunity to ninety days hopefully will be reflected in even lower bids for the second quarter supply of steel.

GOV. ANDERSON: So this would give them at least ninety days or longer if you move your bidding ahead. What
about the next quarters?

MR. HORTIG: These are still under consideration -
whether to call for the bids on that in two more quarters or
whether to call for it on the remainder of the year for the
six-month period in order to get the economic advantage of
a larger order.

Between the first and second quarters, we get the
advantage of a comparison on the maximum time for deliveries
and with the second and third a comparison on the larger
amount of steel. There is no recommendation before the Com-
mission for the third or fourth quarter.

GOV. ANDERSON: I move.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved, seconded, approved
unanimously.

13 -- Proposal of the City of Long Beach to expend
tideland oil revenues for improvement of the Alamitos Bay
Recreational Facilities.

GOV. ANDERSON: Frank, this pertains to a Leeway
Sailing Club?

MR. HORTIG: It did pertain to ...

GOV. ANDERSON: Is this something new now?

MR. HORTIG: Yes, sir.

GOV. ANDERSON: Good; because I was going to ask
about the Leeway Sailing Club and its membership.

MR. HORTIG: The status is that, as reported on
page 44 of your agenda, on November 16th the State Lands Commission received another letter from the City, stating that the proposed facilities to be constructed with tidelands funds will be used for a number of recreational purposes and not just for the Leeway Sailing Club. It was pointed out that other sailing clubs, whose membership also is open to the public, will use the facilities.

Additionally, substantial areas will be improved for other recreational uses, including public swimming and swimming instruction. The City consequently requested that the title of their proposal be changed to "Alamitos Bay Recreational Facilities." The City additionally stated that the Leeway Sailing Club will continue to use facilities at the present site of the Alamitos Bay Yacht Club.

The aforesaid changes to the original proposal and the reaffirmation of the lease obligations of the Alamitos Bay Yacht Club will eliminate the questions raised by the Executive Officer's letter to the City Attorney of October 27, 1965.

Therefore, on staff review and review by the Office of the Attorney General, with these modifications it is recommended that the Commission not object and determine that the proposal is within the scope of Chapter 138, Statutes of 1964.

GOV. ANDERSON: In effect, we are primarily talking about the Leeway Sailing Club.

MR. HORTIG: No, sir.
GOV. ANDERSON: Aren't they going to be the ones that are using it?

MR. HORTIG: No, sir; any other public club. The representatives of the City of Long Beach are here for amplification.

As well as the addition of the commitment by the City to develop the other recreational uses, including the public beach, in lieu of the original concept that these facilities would be used only by the Leeway Sailing Club -- the Leeway Sailing Club, we have been reassured, will, as it was originally contemplated, use the facilities of the Alamitos Bay Yacht Club.

MR. LINGLE: Leeway is a youth thing the City sponsors. The City Recreation Department sponsors it for any child, anybody.

GOV. ANDERSON: Anybody can join the Leeway Sailing Club?

MR. LINGLE: Yes, sir; that's right.

GOV. ANDERSON: What does it cost?

MR. LINGLE: It doesn't cost anything.

GOV. ANDERSON: Do they have to bring their own boats?

MR. LINGLE: Yes. I have two daughters -- I'll give you an instance. We have eight-foot Sabots. They are in the garage. We go along every winter and have safety instruction. Anyone can join.
GOV. ANDERSON: These are the kind of boats...?
MR. LINGLE: Oh, yes - 'Sabots.' That's what kids own. There are no adults in the Leeway Sailing Club.

GOV. ANDERSON: I am a little concerned that we are not putting out money...

MR. LINGLE: The Red Cross uses this facility for life-saving instruction. The Optimist Club also uses it. They sponsor another youth project. They help the kids build their boats.

GOV. ANDERSON: Thank you. I'll move it.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved, seconded, approved unanimously.

14 -- Proposal of the City of Long Beach to expend tideland oil revenues for the construction of Belmont Pier.

MR. HORTIG: This, again, Mr. Chairman, is a proposal which, in view of the fact that it contemplates an expenditure by the City of capital revenues from their share of tideland revenues in excess of $50,000, requires under Chapter 138 a review by the State Lands Commission and a determination that the proposed expenditure is within the provisions of Chapter 138, Statutes of 1964.

This review has been made jointly with the Office of the Attorney General to determine legal compliance, and on the finding that this is the case it is the staff recommendation that the proposed expenditures be approved.
GOV. ANDERSON: So move.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved, seconded, so ordered.

15 -- Approval of boundary agreement between State of California and Robert H. and Melinda E. Chesney along the low water mark on the right bank of the Colorado River, San Bernardino County.

GOV. ANDERSON: Frank, why does this come before us? Is this outside the jurisdiction of the Colorado River Boundary Commission?

MR. HORTIG: The Colorado Boundary Commission has no jurisdiction whatsoever with respect to land titles. The functions assigned to the Boundary Commission are exclusively the establishment of a boundary dividing the jurisdiction of the State of California and the State of Arizona; and the private land titles, as against State land titles, in the Colorado River and the location of the boundary lines between State-owned lands and privately-owned lands is exclusively under the jurisdiction of the State Lands Commission of the State of California.

GOV. ANDERSON: Are we talking about property that is in the area that your Boundary Commission is working on?

MR. HORTIG: This is an area that definitely is, has been, and will continue to be under California jurisdiction even after completion of the work of the Colorado Boundary Commission.
GOV. ANDERSON: In other words, we are talking about something that, regardless of what happens in regard to the present conflict on the boundary, this title would not be affected under any circumstances?

MR. HORTIG: That's right.

GOV. ANDERSON: I didn't want to see us getting into something. I have been getting quite a few communications from people on both sides of the river, asking where they are today.

MR. HORTIG: We have something on the order of forty other parcel areas on some of which quiet title has been filed and some of which applications have been filed with the State Lands Commission; and we have indicated the necessity of holding it in abeyance until the determination of the Boundary Commission.

However, on this land, in this instance, with the concurrence of the Attorney General, it is in the clear.

GOV. ANDERSON: With your assurance that this will not be involved in any future problems -- I hope any time anything comes up with any problem you would not bring it before us.

MR. HORTIG: With my hat on as the Executive Officer of the State Lands Commission, I would hope not to bring in anything that had any problems.

GOV. ANDERSON: Move.

MR. SHEEHAN: Second.
MR. CRANSTON: Moved and seconded, approved unanimously.

16 -- Proposed oil and gas lease, 5,640 acres - Parcel 30, Ventura County.

MR. HORTIG: Mr. Chairman, this is another recommendation for another parcel to be offered in the sequential lease program which was adopted by the Lands Commission on your motion in 1960, and it is suggested -- again to conform the proposed description as it appears on page 56 with the compatible interpretation of the decision of the Supreme Court -- that there be added in the lower third of the recommendation reading:

"From the nearest point on the line of ordinary low water of the Santa Barbara Channel or at a distance of three geographical miles from the ..."

at that point we will add "the presently existing" -- so it will be "presently existing outermost permanent harbor works."

Because this is the language of the Court, there can be no misunderstanding as to the precise area which is the subject of this recommendation.

GOV. ANDERSON: I move it.

MR. SHEEHAN: Second.

MR. CRANSTON: Moved, seconded, approved unanimously.

17 -- Application by Sequoia Refining Corporation to lease two contiguous parcels of tide and submerged lands
in San Pablo Bay, Contra Costa County.

GOV. ANDERSON: I move it.

MR. SHEEHAN: Second.

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

If there is nothing else before us, we are now ready for the final item, which is confirmation of date, time and place of the next meeting.

GOV. ANDERSON: That's December 16th at ten a.m.?

MR. CRANSTON: In Los Angeles.

GOV. ANDERSON: So move.

MR. CRANSTON: With that, we stand adjourned.

ADJOURNED 11:00 A.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-seven pages contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Los Angeles, California, on November 18, 1965.

Dated: November 19, 1965, Los Angeles, California

[Signature]

LOUISE H. LILlico