

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

MEETING
STATE LANDS COMMISSION

1220 N STREET
ROOM 127
SACRAMENTO, CALIFORNIA

ORIGINAL

WEDNESDAY, MARCH 19, 1980

2:00 P. M.

Wendy E. Stewart
C.S.R. No. 4355

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 433-3801

MEMBERS PRESENT

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

Honorable Kenneth Cory, Chairperson

Honorable Roy Bell, for Mary Ann Graves, Director of Finance

Mr. David Ackerman, Representing Michael Curb, Lieutenant Governor

STAFF PRESENT

William F. Northrop, Executive Officer

Robert Hight

James Trout

Jan Stevens

Diane Jones

I N D E X

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

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
 SACRAMENTO, CALIFORNIA 95823
 TELEPHONE (916) 383-3601

1

P R O C E E D I N G S

--oOo--

3 CHAIRPERSON CORY: Call the meeting to order.

4 Are there any corrections or additions to the minutes of
5 the meeting of February 29th?

6 Without objection, they'll be confirmed as presented.

7 Do we have a report of the Executive Officers?

8 EXECUTIVE OFFICER NORTHROP: On March 3, 1980,
9 staff received a telephone request from Universal City Studios
10 to use a 2.78 acre parcel of State land in the City of Seal
11 Beach at the intersection of First Street and Pacific Coast
12 Highway. Universal Studios requested permission to use
13 the State parcel for a period of two days in March for vehicle
14 storage and a film staging area. Because of the short period
15 of use, and to accommodate Universal's need for immediate
16 possession, a letter authorizing use of the State's parcel
17 was sent to Universal on March 4, 1980, by the Assistant
18 Executive Officer.

19 The letter required Universal to leave the property
20 in a condition equal to or better than when occupied, and
21 to indemnify the State against any and all liabilities arising
22 from Universal's use. Universal has also agreed to a rental
23 of \$200 for the use of the State's parcel.

24 Staff coordinated this action with the Motion
25 Picture Development Council, and they concurred that the

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE-209
SACRAMENTO, CALIFORNIA 95828
TELEPHONE (916) 383-3601

1 activity was not subject to their permit process.

2 On geothermal resources, on March 14, 1980, staff
3 opened bids for the lease of geothermal resources from three
4 parcels of reserved mineral lands in the northwest portion
5 of The Geysers Geothermal Field in Sonoma County. This
6 was the first competitive lease sale conducted under provisions
7 of the new geothermal law, SB 1027, which allows the Commis-
8 sion to nominate lands for competitive bidding.

9 Three tracts totaling approximately 839 acres
10 were put up for bid. Although the parcels are contiguous,
11 the surface ownership pattern required that three separate
12 sales be held. Terms of the sale were a royalty of 12.5
13 percent of gross revenue, annual rental of \$1 with the percent-
14 tage of net profits being the biddable factor.

15 A total of 18 bids were submitted for the three
16 parcels. Technology International, Inc. of Englewood, Colorado,
17 was the apparent high bidder for Lease Sale 1 of 599 acres
18 with a bid of 77 percent of net profits.

19 CHAIRPERSON CORY: Seventy-six or seventy-seven?

20 EXECUTIVE OFFICER NORTHROP: Correction. Seventy-
21 six percent.

22 Compared to the federal bidding system which uses
23 cash bonus as the biddable factor, that is approximately
24 \$25,000 per acre or \$15 million. Highest federal bid in
25 the area was \$4,032 per acre.

1 Geothermal Power Corporation of Novato was the
2 apparent high bidder for Lease Sale 2 of approximately 40
3 acres with a bid of 72.5 percent of net profits. Compared
4 to a cash bonus type bid, that would be approximately \$24,000
5 per acre or \$1 million.

6 Geothermal Power Corporation was also the apparent
7 high bidder on Lease 3 of approximately 200 acres with a
8 bid of 76.1 percent of net profits. This would be equal
9 to a cash bonus bid of approximately \$25,000 per acre or
10 \$5 million.

11 It is significant that in this lease sale, as
12 in the first two sales held in 1976 under the Commission's
13 net profits bidding system for geothermal resources, the
14 sale drew several bidders not usually seen at cash bonus
15 type lease sales, such as those conducted by the BLM. We
16 think this is an indication that the Commission, through
17 its net profits bid system, has been successful in its attempt
18 to open up the marketplace for geothermal resources to those
19 other than the major integrated oil companies. Others sub-
20 mitting bids in this latest sale were the Sacramento Municipal
21 Utility District, the cities of Redding, Santa Clara and
22 the Modesto Irrigation District, Thermal Power Company,
23 Getty Oil and Aminoil.

24 Staff is now analyzing the bids, and we will bring
25 back a recommendation as to the highest qualified bidders

1 at your April meeting.

2 " I might add here that another lease sale for 260
3 acres has been scheduled for bid opening May 16 and a third
4 sale for 120 acres is scheduled for mid-July.

5 Mr. Chairman, the completes my report, with the
6 exception of we would like to move Item C8 from the consent
7 calendar to the regular calendar, and Mr. Flynn, the applicant
8 concerned in this item, is in the audience and may wish
9 to speak to the Commission. We would also like to take
10 number 24 off the calendar.

11 CHAIRPERSON CORY: What about a staff report on
12 the State Coastal Commission?

13 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, as
14 far as I know, the representative of the State Coastal Commis-
15 sion is at the meeting today and has indicated that he doesn't
16 have any report to make at this time.

17 CHAIRPERSON CORY: The next item on the agenda
18 is the consent calendar, in our agenda designated with the
19 prefix C, C1 through 17, with the exception of eight, which
20 has been removed. If there is anyone in the audience who
21 has any problem with the recommended staff disposition of
22 those items, if they'd speak up, we will remove it from
23 the consent calendar. If not, they will be all taken care
24 of according to the staff recommendation in one motion.
25 Is there anyone in the audience on any of the items?

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 Commissioners?

2 Without objection, the consent calendar, excluding
3 eight which is put on the regular calendar, is approved
4 as presented.

5 Item C8 is the next item on the agenda. Mr. Northrop,
6 what can you tell us?

7 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this
8 is an application by Eugene Flynn and Joyce R. Flynn regarding
9 building of a revetment wall adjacent to their property.
10 We have a letter from -- we have had communication. Excuse
11 me. We now have the letter. I had not seen the letter
12 until now. Mr. Trout, in view of the way I've been handling
13 the reading today, would you mind handling that letter please?

14 MR. TROUT: I was hoping you wouldn't ask me.
15 We got a letter addressed to the Commission today dated
16 yesterday from a Mr. Michael David Cox representing the
17 Environmental Defense Center, South Central Coast Watch,
18 Scenic Shoreline Preservation Conference and Santa Barbara
19 Chapter of Friends of the Earth. He's got an Esquire after
20 his name, so we assume he is an attorney.

21 He has several objections. He objects to the
22 issuance of a permit and suggests that a better alternative
23 to the protection of the bluff through this facility would
24 be to relocate a portion of the existing residence. The
25 applicant has indicated that this isn't feasible because

1 of existing setbacks and high cost.

2 Also, Mr. Cox objects to the recommendation of
3 staff that no monetary consideration be given on this project
4 if the permit is granted. Staff has looked at this, and
5 we feel that we do see an erosion in this area. Let me
6 pass copies. This is the kind of area we're involved in.
7 There is a very high bluff there.

8 Staff is of the opinion that reducing the regular
9 erosion, both at the toe and at the top of the bluff, does
10 provide a public benefit and extends the useful life of
11 the site. Therefore, staff remains of the opinion that
12 is a public benefit and that a rental rate should not be
13 charged. It is important to know that there was a negative
14 declaration on the project circulated through the State
15 Clearinghouse by the County of Santa Barbara. Mr. Cox,
16 according to information that we can find, has been involved
17 since the beginning of the project. This matter was heard
18 by the Regional Coastal Commission and was appealed to the
19 State Coastal Commission. Both the Regional and State Coastal
20 Commission have granted approval or indicated they would
21 grant approval to this project subject to six conditions.
22 Those conditions are on page 35 and 36 of the calendar and
23 indicate a requirement to dedicate lateral access, deed
24 restriction involving access across the structure, a written
25 agreement promising maintenance, entering into an agreement

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 to replenish any decrease in sand, to reduce the size of
2 the revetment to minimize the location of it and a deed
3 restriction binding the applicant to liability and claim
4 against public agencies for damages. That's basically the
5 story.

6 Mr. Cox asked that his March 17th letter included
7 as part of the Commission record on this, and we have the
8 copy of the letter. In view of the review by staff and
9 the position taken by the Coastal Commission, staff continues
10 to feel that they recommend the Commission approve the permit
11 as requested by the applicant.

12 CHAIRPERSON CORY: Is Mr. Cox here?
13 Questions of Commissioners? Do you have any ques-
14 tions?

15 COMMISSIONER BELL: No.

16 CHAIRPERSON CORY: Mr. Flynn is here. Mr. Flynn,
17 would you come forward if there's anything you'd like to
18 add.

19 MR. FLYNN: I am Eugene Flynn. I am one of the
20 applicants in the matter before the board this morning,
21 or this afternoon.

22 Just to answer Mr. Cox' allegations, he has been
23 at all times in close opposition to me, you might say through
24 the entire program. We've had this project approved by
25 the Santa Barbara County, Regional Coastal Commission, by

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 the State Coastal Commission, by the environmental people
2 and at all times all of these matters that he's bringing
3 up now have been gone over and over and over again. As
4 a matter of fact, before the regional commission we had
5 some almost three to four hours of hearing in which we discussed
6 the location of the house and our impossibility that it
7 can be done.

8 While I've been two years now trying to get to
9 this point to protect my home, it's getting closer and closer.
10 The cliff is now at its nearest point 28 feet from the edge.
11 The cliff is 100 feet high. I've lost in this last storm
12 here another 10 to 15 feet. If I don't get the matter settled
13 pretty soon, we can forget the whole thing and I can get
14 pushed in the ocean and then a citation to clean it up because
15 that's how close we are.

16 Gentlemen, all these allegations of Mr. Cox have
17 been gone over and over, and this is just another road block
18 he's trying to throw into me to stop me from doing this.
19 I think the time that he's been given by all state agencies
20 to air his grievances and investigation of all the parties
21 who have taken part in this, I think he's had his day in
22 court, if you will, and I would ask the Commission to follow
23 the recommendation of the staff. Thank you.

24 CHAIRPERSON CORY: Everybody including local,
25 regional and state, coastal, has signed off?

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 203
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 EXECUTIVE OFFICER NORTHROP: That's correct,
2 Mr. Chairman.

3 CHAIRPERSON CORY: It must not be much of a project
4 if you can get it through the Coastal Commission.

5 (Laughter.)

6 COMMISSIONER ACKERMAN: Just one question. Had Mr. Cox'
7 concerns been raised and decided upon by the regional and
8 state commission?

9 EXECUTIVE OFFICER NORTHROP: Yes, there has been
10 nothing new raised in this letter, as Mr. Flynn has indicated,
11 that has not been raised before the previous commission.
12 It was these issues that took it from the local to the state
13 commission, which required additional hearing time.

14 MR. ACKERMAN: I'm satisfied.

15 CHAIRPERSON CORY: Without objection?

16 COMMISSIONER BELL: Without objection.

17 CHAIRPERSON CORY: Item eight will be approved
18 according to the staff recommendation.

19 Item 18, approval and authorization to execute
20 litigation and title dispute settlement. This is the City
21 of Los Angeles, Salt Lake Railroad Company, Union Pacific
22 and Champlain?

23 EXECUTIVE OFFICER NORTHROP: That's correct,
24 Mr. Chairman.

25 CHAIRPERSON CORY: Is there anybody in the audience

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95026
TELEPHONE (916) 383-3601

1 on this item? Are there any questions from Commissioners
2 about the settlement?

3 COMMISSIONER BELL: We finally got them together.

4 CHAIRPERSON CORY: I think the staff did an excellent
5 job of a shotgun wedding.

6 EXECUTIVE OFFICER NORTHROP: This is to the credit
7 of Les Grimes and Jack Rump from our staff and Greg Taylor
8 and Rich Ng of the Attorney General's staff. So, they are
9 to be commended.

10 CHAIRPERSON CORY: Why is Greg so ashamed of it
11 he's hiding back there?

12 EXECUTIVE OFFICER NORTHROP: I'm afraid he thinks
13 there's going to be a question on it he's going to have
14 to answer, and you know how the Attorney General has been
15 about giving you opinions lately.

16 (Laughter.)

17 CHAIRPERSON CORY: Without objection, Item 18
18 will be approved as presented.

19 Item 19, approval of amendment to industrial lease
20 of Shell Oil Company. This is wharf modification and a
21 dredging. Anybody in the audience on this item? Any questions
22 from Commissioners?

23 Without objection, Item 19 will be approved as
24 presented.

25 Item 20, boundary exchange in Del Conte/Shieler

1 settling, Union City, Alameda County. Anybody in the audience
2 on this item? Any questions from Commissioners?

3 Without objection, Item 20 will be approved as
4 presented.

5 Item 21, approval of finding that the Shoreline
6 Park Pacific Plan for the City of San Mateo General Park
7 for salt marsh, tide and submerged lands meets the criteria
8 in the statute. Anybody in the audience on this one?
9 Questions from Commissioners?

10 Without objection, Item 21 is approved as presented.

11 Item 22, a normal increase --

12 EXECUTIVE OFFICER NORTHROP: Revision.

13 CHAIRPERSON CORY: Revision.

14 MR. TROUT: Mr. Chairman, to satisfy our accounting
15 office, we'd like to point out that consideration for this
16 also involves waiver of penalty and interest from January
17 1, '79 to date of approval.

18 CHAIRPERSON CORY: And that's because we got a
19 good settlement on the increase.

20 MR. TROUT: That's correct, and they cooperated.

21 CHAIRPERSON CORY: Anybody in the audience on
22 this item?

23 Without objection, Item 22 is approved as presented.

24 Item 23, 66-year lease on 11,000 --

25 EXECUTIVE OFFICER NORTHROP: Eleven thousand

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 203
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 two-hundred.

2 CHAIRPERSON CORY: They slipped a few more acres
3 in there for Fish and Wildlife. Anybody in the audience
4 on this item?

5 Without objection, Item 23 will be approved as
6 presented.

7 Item 24, Union Oil --

8 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, it's
9 on calendar.

10 CHAIRPERSON CORY: Item 25.

11 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, on
12 Item 25, you have a letter addressed to your honorable self,
13 Marlex Oil and Refining in which they refer to this calendar
14 item, or the result of this calendar item, and indicate
15 that they feel that the Commission is depriving Marlex of
16 their rightful crude oil supply by acting on this.

17 CHAIRPERSON CORY: Is there anybody in the audience
18 from Marlex?

19 MR. STEVENS: Mr. Chairman, they have been in
20 touch with us and ask that their letter be read into the
21 record. I think under the circumstances it would be desirable.

22 EXECUTIVE OFFICER NORTHROP: Mr. Attorney General,
23 would you read the letter into the record and see how you
24 do?

25 CHAIRPERSON CORY: They want it actually read?

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95828
TELEPHONE (916) 383-3001

1 MR. STEVENS: It's not a lengthy letter, but they
2 have asked that it be read into the record.

3 CHAIRPERSON CORY: Something like the admonition
4 of Judge Roy Bean.

5 (Laughter.)

6 CHAIRPERSON CORY: Go ahead.

7 MR. STEVENS: I'm not sure what the ruling will
8 be. The letter is addressed to Mr. Cory as Chairman of
9 the Lands Commission.

10 "This letter is sent in response to
11 the State Lands Commission's recent actions
12 taken in regard to a portion of the royalty
13 oil which is produced from State Agreement
14 for Easement No. 392.1. Request is hereby
15 made that this letter be read into the public
16 record at the State Lands Commission meeting
17 on March 19, 1980 in connection with Calendar
18 Item No. 25.

19 "Reference is hereby made to the contract
20 dated February 1, 1979, entered into between
21 the State of California, acting by and through
22 the State Lands Commission, and Basin Petroleum,
23 Inc., now Marlex Oil & Refining, Inc. Reference
24 is also made to the Department of Energy
25 crude oil supplier/purchaser regulation

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 found at 10 C.F.R. 211.63.

2 "Pursuant to the above referenced contract
3 and pursuant to its rights to continued
4 supplies under the above referenced regulation,
5 Marlex Oil & Refining, Inc., hereby asserts
6 that it is lawfully entitled to continued
7 deliveries of the entire amount of the royalty
8 oil production identified in the above contract.
9 Marlex hereby serves notice upon the State
10 Lands Commission that it objects to the
11 sale of the so-called "uncontrolled portion"
12 and the diversion of this portion of Marlex's
13 rightful crude oil supply. Marlex demands
14 that the State Lands Commission immediately
15 cease its efforts to sell and divert this
16 crude oil. Marlex further demands that
17 the State Lands Commission provide Marlex
18 with adequate assurances that Marlex will
19 continue to receive the entire portion of
20 the royalty oil production identified above.

21 "If these demands are not met, Marlex
22 will endeavor to enforce its rights by whatever
23 means may be necessary, including injunctive
24 relief."

25 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, may

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 I point out that Marlex --

2 CHAIRPERSON CORY: Before you do that, could you
3 give the name of your optometrist's address and phone number --
4 (Laughter.)

5 CHAIRPERSON CORY: Go ahead.

6 COMMISSIONER BELL: Do you want to put into the
7 record the rights of Marlex?

8 EXECUTIVE OFFICER NORTHROP: Yes, Mr. Bell, I
9 do. Marlex has a right to match this bid of \$3.56.

10 MR. STEVENS: That's our interpretation, Mr. Chairman.

11 EXECUTIVE OFFICER NORTHROP: Depending on supplier/
12 purchaser.

13 CHAIRPERSON CORY: Anybody else in the audience
14 on this item?

15 They pay the price. They match the price, they
16 get the oil. Lacking that, they can pursue whatever relief
17 they can afford.

18 MR. ACKERMAN: In other words, they can still
19 pursue any legal --

20 EXECUTIVE OFFICER NORTHROP: They can.

21 MR. STEVENS: That's right.

22 CHAIRPERSON CORY: Without objection, Item 25
23 is approved as presented.

24 Item 26, specifications and forms for the notices
25 inviting bids for twelve and a half percent increment on

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 203
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 parcel "A" in Wilmington.

2 EXECUTIVE OFFICER NORTHROP: And four and a half
3 percent on LBLD.

4 CHAIRPERSON CORY: Anybody in the audience on
5 this item? Any questions from Commissioners?

6 Without objection, it will be approved as presented.

7 Item 27, sixth modification plan of development.

8 EXECUTIVE OFFICER NORTHROP: Mr. Chairman,
9 Mr. Thompson has on the wall some charts. I think he'll
10 make a presentation at this time.

11 MR. THOMPSON: What we see here on the far left
12 is one island. That's called Island Grissom. We're proposing
13 additional well locations on there as shown in the red.
14 The one just to the right of that is Island Freeman, and
15 we're proposing only those cellars that are shown on the
16 left hand side there. The one on the right would involve
17 a complete new landfill to put those cellars in.

18 CHAIRPERSON CORY: You backed off on that one?

19 MR. THOMPSON: Wait until next month maybe.

20 CHAIRPERSON CORY: Why are the islands different
21 shaped?

22 MR. THOMPSON: Because originally the concept
23 of so many islands were put in for the limitation, basically
24 all have to be oriented in such a way so that the land goes
25 on the lee side. They're not exactly oriented correctly here.

1 but the shape was put up primarily that the ones that are
2 closest to the land, which are the most left island and
3 the two on the right, would have derrick structures that
4 would have to be moved on rail systems. The one that you
5 see that's the second one from the left was for portable
6 derricks. So, therefore, that orientation of cellar is
7 a little different.

8 The general configuration of the rest are the
9 same, they're pretty much the same, they're all to have
10 tracks to have these derricks moved around on them.

11 So, we've gotten a little bit of a problem on
12 that one for the portable rigs, and this is one of the reasons
13 why we asked to have that other rig purchased last time,
14 because we're getting into very tight locations you see
15 we're proposing there on the left; and it takes a smaller
16 subbase on the rig to get on there. We will be back to
17 if the bottom hole location studies justify these locations
18 on the other islands in the future. Basically, what this
19 is to do is to develop primarily the Ranger 6 zone and try
20 and get additional reserves into production.

21 CHAIRPERSON CORY: What's this going to cost?

22 MR. THOMPSON: Ten million dollars, nine million
23 something.

24 EXECUTIVE OFFICER NORTHROP: There are some pumps
25 that are involved too.

1 MR. THOMPSON: Actually, in part of this we want
2 to change the plan so we can take an redrill three wells
3 from the zone they're in now into other zones. So that's
4 a plan change. We'll transfer funds for that.

5 CHAIRPERSON CORY: You're putting French or California
6 wine in the cellar at that price?

7 (Laughter.)

8 MR. THOMPSON: I've been having trouble with
9 Mr. Bell especially on this. We use the word cellar. Really
10 the cellars are the physical locations in which we can provide
11 the additional surface locations for the well, but the only
12 part you'd see of the wells in this would be the 20-inch
13 conductors that are shown on those little dark circles on
14 there, and that's the only part of the work that goes in
15 at this time.

16 CHAIRPERSON CORY: Any questions?

17 COMMISSIONER BELL: No, I've been convinced.

18 CHAIRPERSON CORY: Without objection the sixth
19 modification is approved as presented.

20 Item 28, Cession of jurisdiction of Oakland Army
21 Base in Alameda County. Anybody in the audience on this?
22 Any questions?

23 Without objection, Item 28 is approved as presented.

24 Item 29. This is authorization for the Attorney
25 General and for the staff to proceed on litigation for ejection

1 and correction of rentals, Suisun Slough. Anybody in the
2 audience on this item? Questions?

3 Without objection, Item 29 is approved as presented.

4 Item 30, authorization to file a disclaimer on
5 behalf of the State Lands for 26 acres more or less.

6 COMMISSIONER BELL: How would you feel if you
7 were a little 20 acres and you had the whole United States
8 of America. Isn't that scary?

9 CHAIRPERSON CORY: What's scary is when you see
10 these in court and the 20 acres unrepresented wins.

11 (Laughter.)

12 CHAIRPERSON CORY: The state used to have this
13 thing, the State of California versus a '47 Plymouth. It
14 was picked up in a drug bust, and there was a great rash
15 of guys losing those to the '47 Plymouth, which was a tough
16 way to start a legal career.

17 This is near Joshua Tree National Monument. Is
18 there anybody in the audience on this one? Questions from
19 Commissioners?

20 Without objection, Item 30 is approved as presented.

21 Item 31, approval of entering into a contract
22 with Aminoil, U.S.A., Sun Oil Company, ARCO Oil and Gas
23 for hazard removal in Santa Barbara County. Is there anybody
24 in the audience on this item? It's my understanding that
25 these three companies are doing an excellent job in meeting

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95820
TELEPHONE (916) 383-3601

1 their corporate responsibility on the unit in terms of ponying
2 up the money to eliminate these difficulties.

3 COMMISSIONER BELL: Do we have verbal agreement
4 from both the latter two companies?

5 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, I refer
6 that to Mr. Hight. A member of his staff has been working
7 very closely with them.

8 MR. HIGHT: Yes, Mr. Chairman, we have verbal
9 agreement as to the concept, and the contract is currently
10 being worked out.

11 COMMISSIONER BELL: Thank you.

12 CHAIRPERSON CORY: Any questions?

13 COMMISSION ACKERMAN: No.

14 CHAIRPERSON CORY: Without objection, Item 31
15 will be approved as presented.

16 Item 32, consummation of interagency agreements
17 and issuance of RFP and award of contract to study the feasi-
18 bility of additional intrastate crude oil pipeline transporta-
19 tion system.

20 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this
21 is a result of joint agreement between the Energy Commission,
22 the Coastal Commission, and the State Lands Commission with
23 OPR acting as some kind of a catalyst in attempting to do
24 a preliminary first-step survey.

25 CHAIRPERSON CORY: Anybody in the audience on

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 202
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 this item?

2 COMMISSIONER ACKERMAN: Is this study going to be done in-house?
3 in-house?

4 EXECUTIVE OFFICER NORTHROP: We will probably
5 go outside for the contractor to do the bulk of the technical
6 study. We will supervise it in-house, and we have asked
7 several oil companies and refiners and those who would benefit
8 most from pipelines to work in an advisory capacity. At
9 the present time we don't plan to allow them to have a review
10 right, but we certainly need their advice and counsel, and
11 we're going that way.

12 CHAIRPERSON CORY: Without objection, Item 32
13 will be approved as presented.

14 Item 33, ratification of Executive Officer Action
15 on a contract to evaluate the proposed lease --

16 EXECUTIVE OFFICER NORTHROP: On the Hyatt Hotel
17 in Long Beach.

18 CHAIRPERSON CORY: Get some expertise on what
19 all that means.

20 COMMISSIONER BELL: I think that's pretty essential.

21 MR. TROUT: Technically, Mr. Chairman, this should
22 be approval of the Executive Officer's signature.

23 COMMISSIONER BELL: You printed "ratification",
24 but didn't you mean "approval"?

25 MR. TROUT: Yes.

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 363-3801

1 CHAIRPERSON CORY: It's awfully hard for me to
2 understand if you guys don't write it correctly. What's
3 the distinction?

4 EXECUTIVE OFFICER NORTHROP: I really don't under-
5 stand, Mr. Chairman. I'm anxious to hear.

6 MR. HIGHT: Mr. Chairman, at the time that the
7 calendar was written it was anticipated that the contract
8 would be signed. The people who have to sign it are out
9 of town. They're working. So rather than ratification --

10 COMMISSIONER BELL: You can't ratify something
11 he hasn't signed.

12 COMMISSIONER ACKERMAN: Just wondering, what would happen
13 if you signed it and we didn't ratify it?

14 EXECUTIVE OFFICER NORTHROP: I think I'd be out
15 looking for a \$9500 to pay for the contract.

16 COMMISSIONER BELL: And a job.

17 EXECUTIVE OFFICER NORTHROP: If I got the 9500
18 I should be able to keep the job.

19 COMMISSIONER ACKERMAN: A little critical of Long Beach
20 doing a few things.

21 CHAIRPERSON CORY: Anybody in the audience on
22 this item?

23 Without objection, Item 33 is approved as amended
24 verbally here rather than as presented in writing.

25 Item 34, acceptance of proposal and award of contract

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

1 for preparation of EIR for proposed drilling in the Molino
2 Field, Santa Barbara, Shell Oil. Is there anybody in the
3 audience on this item? Questions from Commissions?

4 Without objection, approved as presented.

5 Item 35, preparation of EIR for resumption of
6 drilling on State Oil and Gas lease 3313.1, Pierpont Area,
7 Ventura County, and authorization of the Executive Officer
8 to consummate a reimbursement agreement for costs associated.
9 Is there anybody in the audience on this item? Questions
10 from Commissioners?

11 Without objection, Item 35 will be approved as
12 presented.

13 Anything else we need to do?

14 EXECUTIVE OFFICER NORTHROP: No.

15 MR. STEVENS: Mr. Chairman, there is a brief litigation
16 matter we'd like to discuss with the Commission in
17 executive session.

18 CHAIRPERSON CORY: That being the case, we will
19 clear the room.

20 (Thereupon the meeting of the State Lands
21 Commission was adjourned at 2:35 p.m.)

22

23

24

25

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601

CERTIFICATE OF SHORTHAND REPORTER

1
2 I, WENDY E. STEWART, a Certified Shorthand Reporter
3 of the State of California, do hereby certify:

4 That I am a disinterested person herein; that
5 the foregoing State Lands Commission Meeting was reported
6 in shorthand by me, Wendy E. Stewart, and thereafter trans-
7 cribed into typewriting.

8 I further certify that I am not of counsel or
9 attorney for any of the parties to said meeting, nor in
10 any way interested in the outcome of said meeting.

11 IN WITNESS WHEREOF, I have hereunto set my hand
12 this 15th day of April, 1980.

13
14 Wendy E. Stewart CSR
15 WENDY E. STEWART
16 Certified Shorthand Reporter
17 License No. 4355
18
19
20
21
22
23
24
25

PETERS SHORTHAND REPORTING CORPORATION

7700 COLLEGE TOWN DRIVE, SUITE 209
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383-3601