MEETING
STATE LANDS COMMISSION

STATE CAPITOL
ROOM 1145
SACRAMENTO, CALIFORNIA

ORIGINAL

MONDAY, SEPTEMBER 13, 1982
10:10 A.M.

Eileen Jennings, C.S.R.
License No. 5122

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APPEARANCES

Commission Members:

David Ackerman, Acting Chairperson, representing Mike Curb, Lieutenant Governor

John Jervis, representing Kenneth Cory, State Controller

Susanne Morgan, representing Mary Ann Graves, Director of Finance

Staff Present:

Claire T. Dedrick, Executive Officer

Robert C. Hight, Chief Counsel

W.M. (Moose) Thompson

Jane Smith, Secretary
Proceedings

Item 1, Assignment of Associated Southern Investment Company's working interests in the Fault Block II Unit and Fault Block III Unit

Approval of Item 1

Item 2, Proposed sale of Royalty Crude Oil from State Oil and Gas Leases PRC 186 and PRC 3095

Approval of Item 2

Adjournment

Certificate of Reporter

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ACTING CHAIRPERSON ACKERMAN: The meeting officially comes to order.

This is a special meeting of the State Lands Commission, two agenda items.

Do we have any minutes or anything from previous meetings we need to discuss?

EXECUTIVE OFFICER DEDRICK: No, I don't think so.

ACTING CHAIRPERSON ACKERMAN: We'll just take the items in order.

Agenda Item 1, the City of Long Beach for an assignment of Associated Southern Investment Company's working interests in the Fault Block II Unit.

EXECUTIVE OFFICER DEDRICK: Basically, Southern California Edison wants out of their unitized agreements. And that allows everybody else to -- they have a right of first refusal on the assignments.

Staff is recommending that we go along with that, that we take that right of first refusal.

The City of Long Beach has already voted, have they not?

MR. THOMPSON: Yes, the City Council has already passed this under Chapter 29. There has to be ratification by the State Lands Commission.
ACTING CHAIRPERSON ACKERMAN: Is there any negative revenue back to the state?

MR. THOMPSON: Not at the present time. There may be in the future.

ACTING CHAIRPERSON ACKERMAN: But that depends on future policy?

EXECUTIVE OFFICER DEDRICK: That's correct. Excuse me, Moore; go ahead.

MR. THOMPSON: That will be decided on about October.

ACTING CHAIRPERSON ACKERMAN: Any questions from Commissioners?

Without objection, Item 1 will be approved as recommended.

Item 2, a State Lands Commission proposed sale of Royalty Crude Oil from a lease. This is follow-up of one that we rejected previously.

Any questions?

COMMISSIONER MORGAN: We're setting a minimum bid here?

ACTING CHAIRPERSON ACKERMAN: Minimum bid of what, twenty-five cents?

EXECUTIVE OFFICER DEDRICK: Twenty-five cents, right.

ACTING CHAIRPERSON ACKERMAN: We're going to inch it up penny by penny, even though we're advised it doesn't make a bit of difference anyway.
EXECUTIVE OFFICER DEDRICK: Right.

ACTING CHAIRPERSON ACKERMAN: Any questions from Commissioners on Item 2?

COMMISSIONER MORGAN: No.

ACTING CHAIRPERSON ACKERMAN: Without objection, that will be approved.

Any other items of business to come before us?

EXECUTIVE OFFICER DEDRICK: None.

ACTING CHAIRPERSON ACKERMAN: Any questions from people in the audience?

Meeting adjourned.

(Thereupon the meeting before the State Lands Commission was adjourned at 10:13 a.m.)

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I, EILEEN JENNINGS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission meeting was reported in shorthand by me, Eileen Jennings, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of September, 1982.

EILEEN JENNINGS, C.S.R.
License No. 5122.