

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento, November 30, 1942, at 11:30 A. M.

Present

George Killion, Chairman
Harry B. Riley, Member
Ellis E. Patterson, Member

Absent

None.

Minutes of the meeting of the Commission held in Los Angeles on November 17, 1942, were, upon motion of Mr. Patterson, seconded by Mr. Killion, un-animously approved and confirmed as submitted.

Mr. Fred W. Links and others of the budget staff of the Department of Finance appeared before the Commission relative to the proposed budget for the ensuing biennium. After considerable discussion of the various items, it was agreed to approve a budget in substantially the form prepared by the Division of Budgets and Accounts.

A discussion was had with members of the budget staff who attended the meeting relative to proposed changes in the accounting procedure. However, no conclusions were arrived at and the matter was deferred for the present.

Consideration was given to the proposed recodification of the sections in the Political Code pertaining to the sale of State land and related statutes in the Public Resources Code. Instructions were issued that this matter, as well as a comprehensive legislative program, should be referred to the new Executive Officer for study and report.

After being informed that the engineering work of the Division has appreciably increased, upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted approving the creation of the position of Junior Petroleum Engineering Aid, the tenure of such employment to be governed by the amount of petroleum production and the necessity for the position.

The Commission was informed that during the course of the current audit as well as an earlier audit, the Division of Audits has discovered certain leases of tidelands at San Diego by private individuals. It appeared that these lands are under the jurisdiction of the Commission since enactment of Section 6301 of Division 6 of the Public Resources Code rather than under the earlier statute, Section 3560 of Part 2 of Division VI of the Harbors and Navigation Code. Instructions were thereupon issued to secure an opinion from the Attorney General on this point, in conjunction with the Division of Audits, and if it be determined that the Commission has jurisdiction, the lease situation of all tidelands at San Diego be investigated and uniform terms be negotiated.

Upon motion duly made and carried, a resolution was adopted authorizing the consummation of a ten year commercial lease to R. D. Huffaker covering .765 acres, more or less, of State land in Section 9, T.1 N., R. 23 E., S. B. M., at Vidal Junction, San Bernardino County, for the sum of \$12.00 per annum.

Upon motion duly made and carried, a resolution was adopted approving the assignment of commercial Lease No. 7 (675 P. C.) at Vidal Junction, from Russell B. Travis to R. D. Huffaker.

Upon motion duly made and carried, a resolution was unanimously adopted approving the cancellation of Mineral Prospecting Permit No. 35, Public Resources Code, for the reason that the permittee had made an error in the description of the property desired.

The Commission was informed that J. M. Clifford, Executive Officer, is resigning at the completion of his vacation which ends on and after December 10 in order that he may accept a Federal position. Upon motion made by Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted accepting this resignation.

Consideration was given to the bid of E. B. Bishop for a mineral lease for the extraction of sand and/or gravel in Lassen County. Owing to the fact that the bid was not a reasonable one, upon motion duly made and carried, such bid was rejected.

Since the value of the material taken by Bressi and Brevanda, et al., and E. B. Bishop may run well into the thousands of dollars, upon motion duly made and carried, a resolution was unanimously adopted approving the expenditure of a sum not to exceed \$1,000.00 for an audit and survey of the property taken, the audit to be covered by a contract in the sum of \$500.00 with the Division of Audits.

The Commission was informed that representatives of the California & Hawaiian Sugar Refining Corporation had once again been invited to attend the meeting relative to cancelled tideland leases near Crockett but had not been available. Thereupon, upon motion duly made and carried, a resolution was adopted to the effect that this company should be informed of the rental rates heretofore fixed as of December 1, 1942.

A letter was read from the State Controller in which he stated that the sum of \$300,000.00 should be transferred from the State Lands Act Fund to the General Fund and State Park Maintenance and Acquisition Fund in percents of 30 and 70, respectively.

Upon motion of Mr. Patterson, seconded by Mr. Riley, and unanimously carried, a resolution was adopted directing the transfer from the State Lands Act Fund in accordance with the suggestion of the State Controller.

Upon motion duly made and carried, a resolution was adopted to the effect that the Standard Oil Company of California under Agreement for Easement No. 338, Huntington Beach, be requested to reimburse the State for Butane on the same basis as do other easement holders.

Upon motion duly made and carried, a resolution was unanimously adopted approving and confirming execution by Mr. Killion, as Chairman of the State Lands Commission, of documents as follows:

Certificate of Purchase No. 1470, Location 4514, Sacramento Land District
" " " " 1471, " 4513 " "
Patent No. 18911
" " 18913
" " 18914
Certificate and Patent No. 18912
Duplicate Certificate of Purchase No. 3591, Gasanville Land District

Upon motion of Mr. Patterson, seconded by Mr. Raley, and unanimously carried, a resolution was adopted authorizing and confirming the exchange of the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 27, T. 30 N., R. 5 E., M. D. M., containing 40 acres in Plumas County, in Lassen Volcanic National Park, for a portion of the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 26, T. 29 N., R. 3 E., M. D. M., containing 5.47 acres in Tehama County, on which the Division of Highways has built a maintenance station. Upon the completion of the exchange, it is understood that the 5.47 acres so acquired will be sold to the Division of Highways for the sum of \$260.00.

The Commission was informed that, in accordance with the authority granted at the last meeting, a Bill of Sale had been prepared to convey title to certain machinery and equipment on cancelled Lease No. 16 at Summerland. Upon motion duly made and carried, a resolution was adopted authorizing Mr. J. Stuart Watson to execute this Bill of Sale.

In this connection, authority was also granted for Mr. Watson to execute a service contract with Russell L. Williams for the abandonment of the four wells on this cancelled lease, the provisions of which would include a transfer of title to the salvageable casing to the Contractor and the payment to the State by the Contractor of the sum of \$250.00.

The Commission was informed that Mr. F. J. Hortig, Supervising Petroleum Production Inspector, had secured a commission in the Navy. Upon motion duly made and carried, a resolution was unanimously adopted authorizing the employment of someone from the appropriate civil service list to act in his absence.

Upon motion duly made and carried, authority was granted to rent a post office box for the use of the Huntington Beach office.

The Commission was informed that the filing equipment recently furnished by Remington Rand, Inc., for use in the Sacramento office, is in accordance with the purchase order and is properly designed for the new index system to be installed. Therefore, upon motion duly made and carried, a resolution was unanimously adopted wherein the action taken on October 23, 1942, declining to accept the equipment, was rescinded.

Upon motion duly made and carried, a resolution was adopted withholding approval of the request of the Honolulu Oil Corporation to drill another well on Lease 56 at Rincon until approval has been received from the Office of the Petroleum Coordinator.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted conditionally approving the 27th revision of the allotment to the State's lands to Exhibit "A" under Agreement for Easement No. 415, subject to the changes which will result from the adjustment of the basic acreage figures to be agreed upon with respect to the 11th and 12th revisions, and further, subject to the extension to April 1, 1943, of the time within which formal objection may be made to the 11th to 26th revisions, inclusive, of the State's percentage allotment.

Upon motion duly made and carried, a resolution was adopted approving the cancellation of Grazing Lease No. 1035 of P. L. Morgan inasmuch as payment of the second annual rental had not been made within the fifteen days allowed by law.

Upon being informed that Enrique Mahnke of Kelseyville, California, is using Grazing Lease No. 1007 as a private hunting area and charging for such use, the Commission instructed that Mr. Mahnke be informed that this practice should not be continued. If such practice is continued, however, the lease will be cancelled inasmuch as hunting and fishing rights upon State lands are reserved to the People.

There being no further business to come before the Commission, the meeting was adjourned.