

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO PERFORM THE FOLLOWING:

1. APPROVE AMENDMENT TO AGREEMENT FOR EASEMENT 415 TO REMOVE THE STATE'S PRODUCTIVE LANDS IN THE ISLETON AREA FROM THE PROVISIONS OF THE RIO VISTA RATABLE TAKING PLAN ONLY.
2. FORM OF LESSORS' CONSENT IS TO BE DEVELOPED BY THE STAFF AND THE STANDARD OIL COMPANY OF CALIFORNIA AND PRESENTED TO THE STATE LANDS COMMISSION FOR FINAL CONSIDERATION.
3. APPROVE MODIFICATION OF THE CONTRACT OF MAY 16, 1940 BETWEEN THE PACIFIC GAS AND ELECTRIC COMPANY AND THE STANDARD OIL COMPANY OF CALIFORNIA RELATING TO GAS DELIVERIES FROM EASEMENT 415 TO PERMIT THE PRODUCTION AND DELIVERY OF GAS FROM THE ISLETON AREA PURSUANT TO THE TERMS OF THE AFORESAID UNIT AGREEMENT FOR THE ISLETON GAS FIELD.

14. (PROPOSED LEGISLATION, 1951 LEGISLATIVE SESSION - W.O. 540) The Commission was informed as follows: During the 1949 session of the State Legislature, amendments and additions to the Public Resources Code were proposed which had been reviewed and approved by the Commission but failed of passage. This was believed to be due to the fact that they were included in an omnibus bill (S.B. 1618) which also contained several controversial items (not introduced by the Commission) relating to oil and gas leases. With the approval of the Commission, it is proposed to introduce the non-controversial items as separate bills in the coming session. These are as follows:

An act to amend the title of Article 3 of Chapter 4, Part 1, Division 6 and Section 6357 of the Public Resources Code

- Sec. 1. The title of Article 3, Chapter 4, Part 1, Division 6, of the Public Resources Code, is amended to read:

Article 3. Procedure on Establishment of Ordinary High-water and Low-water Mark.

- Sec. 2. Section 6357 of said code is amended to read:

Section 6357. The Commission may establish the ordinary high-water mark or the ordinary low-water mark of any of the swamp, overflowed, marsh, tide, or submerged lands of this State, either by arbitration or action to quiet title, whenever it is deemed expedient or necessary.

An act to add Section 6501.1 to the Public Resources Code and to amend Section 6502 of said code.

- Sec. 1. Section 6501.1 is added to said code, to read:  
6501.1. Lands owned by the State may be leased for such purpose or purposes as the commission deems advisable, including but not limited to grazing leases, leases for commercial or industrial purposes and leases for campsites.
- Sec. 2. Section 6502 of said code is amended to read:  
Section 6502. Any person, firm or corporation desiring to lease

any of the ~~unsold-public-lands~~ lands owned by the State, or in which the State may have an interest, for any purpose not prohibited or otherwise provided for by law, may make application therefor to the commission, describing the lands sought to be leased by legal subdivisions, or, if such lands are unsurveyed, by metes and bounds or by such other method as the commission may prescribe. The application shall be accompanied by a filing fee of five dollars (\$5.) No filing fee shall be required of the United States or any agency thereof, or of this State, its agencies or political subdivisions. All applications to lease lands under this chapter shall be approved or rejected by the Commission within ~~90~~ 180 days after receipt thereof.

An act to amend Section 6827 of the Public Resources Code

- Sec. 1. Section 6827 of said code is amended to read:  
 Section 6827. Leases for the extraction and removal of oil and gas deposits may be made by the commission to the highest qualified bidder, as provided in this chapter. Such a lease shall be for a term of 20 years or may be for a term of 20 years and for so long thereafter as gas or oil is produced in paying quantities from the leased lands. If such term is for 20 years it may, at any time or times prior to its expiration, be extended upon such terms and conditions and for such period of time as the commission deems for the best interest of the State or as the Legislature may provide. In addition to the royalty provided therein each bid and each lease shall also provide for an annual rental payment in advance of such sum as the commission shall specify, ~~which rental shall be credited against the royalties, if any, as they accrue for that year.~~

An act to amend Section 6301 of the Public Resources Code

- Sec. 1. Section 6301 of said code is amended to read:  
 6301. The commission has exclusive jurisdiction over all ungranted tidelands and submerged lands owned by the State, and of the beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits, including tidelands and submerged lands or any interest therein, whether within or beyond the boundaries of the State as established by law, which have been or may be acquired by the State (a) by quitclaim, cession, grant, contract, or otherwise from the United States or any agency thereof, or (b) by any other means. All jurisdiction and authority remaining in the State as to tidelands and submerged lands as to which grants have been or may be made is vested in the commission. The commission shall exclusively administer and control all such lands, and may lease or otherwise dispose of such lands, as provided by law, upon such terms and for such consideration, if any, as are determined by it.

An act to amend Section 6813 of the Public Resources Code

- Sec. 1. Section 6813 of said code is amended to read:  
 6813. For the purpose of this chapter, the commission may enter in agreements with any person, association of persons, corporation,

city or county, the United States or any agency thereof, or any of them, claiming the oil and gas in lands adversely to the State of California, which agreements may:

(a) Establish the respective interests of the parties to the agreement in the oil and gas underlying such land.

(b) Establish the boundary line between lands claimed by the State and other parties to the agreement in those cases in which oil or gas is known or believed to exist in such lands or in the vicinity thereof, and, pending the establishment of any such boundaries, provide for the administration, exploration and development of any lands embraced within the conflicting boundary claims.

(c) Fix the amount of damages for past or future production of oil and gas from wells drilled under color of title on or into land claimed by the State.

Experience during the past two years has indicated the desirability of additional amendments and additions. These are:

An act to add Section 6365 to the Public Resources Code

Sec. 1. Section 6365 is added to the Public Resources Code, to read: Section 6365. On receipt of a request from the legislative body of a county, city, or other political sub-division or agency of the State, to which a legislative grant of tide and submerged lands has been or may be made, or at its own instigation, the commission may survey, monument, plat, and record in the office of the Recorder in the County or Counties in which such lands are located, the area of State lands described in such act of the Legislature. Whenever such survey and plat has been made at the request of a grantee of the State, the costs thereof shall be repaid by such grantee to the commission.

#### EXPLANATION

Insufficient information as to the exact location of boundaries of grants has complicated the leasing of adjoining lands.

An act to amend Section 6504 of the Public Resources Code

Sec. 1. Section 6504 of said code is amended to read: Section 6504. Whenever any lease is delivered to an applicant by the commission, the lessee shall within ~~15~~ 30 days thereafter, execute and return the lease to the commission and pay the first annual rental or other consideration. The commission shall receive the money and give a receipt therefor. All subsequent annual payments of rental or other consideration shall be paid ~~in-like-manner~~ within 15 days after they become due.

#### EXPLANATION

15 days time has been insufficient in the case of corporations or large public bodies for the execution of leases after delivery.

An act to amend Sections 6895 and 6897 of the Public Resources Code

Sec. 1. Section 6895 (as amended in 1947) of said code is amended to read: Sec. 6895. Upon establishing to the satisfaction of the commission that commercially valuable deposits of minerals have been discovered within the limits of any permit, the permittee shall be entitled to a lease for not more than 160 acres of the land embraced in the prospecting permit, if there be that number of acres within the permit. The area selected by the permittee shall be in compact form, and if surveyed shall be described by the legal subdivisions of the public lands surveys; if unsurveyed, the area shall be surveyed by the commission at the expense of the applicant for the lease, in accordance with rules and regulations to be prescribed by the commission, and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such surveys. The lease shall be upon a royalty, as specified by the commission in the permit, and the annual payment in advance of a rental of one dollar (\$1) per acre, ~~the rental paid for any one year to be credited against the royalties as they accrue for that year.~~ Notwithstanding the 160 acreage limitation provision of this section, whenever the lands for which a lease is sought are tide and submerged lands, the commission shall be, and is, authorized to divide such lands into such size and number of parcels as the commission shall determine will not substantially impair the public rights to navigation and fishing or interfere with the trust upon which such lands are held.

Sec. 2. Section 6897 of said code is amended to read: Section 6897. All deposits of minerals, other than oil and gas, in lands belonging to the State which have been classified by the commission as lands containing commercially valuable mineral deposits and all deposits of such minerals within lands embraced within a prospecting permit and not subject to preferential lease to the permittee, may be leased by the commission to the highest responsible bidder by competitive bidding, under general regulations, to qualified applicants, in such form as the commission deems to be to the best interest of the State. In addition to the royalty provided therein, each bid and each lease shall also provide for an annual rental payment in advance of such sum as the commission shall specify, ~~which rental shall be credited against the royalties, if any, as they accrue for that year.~~

EXPLANATION

Deletions are made to simplify accounting procedures.

An act to add Section 127 to the Government Code

Section 127 is added to the Government Code, to read:

Sec. 127. In addition to other records maintained by the State Lands Commission, the commission shall prepare and maintain an adequate index or record of documents with description of the lands over which the United States acquired jurisdiction pursuant to Sec. 126 of this code or pursuant to any prior State law. Said index shall record the degree of jurisdiction obtained by the United States for each acquisition.

EXPLANATION

No State agency is now responsible for maintaining records of past acceptances of jurisdiction by the United States. The State Lands Commission now maintains records of those processed under the provisions of Section 126 of the Government Code and is thus the logical agency for this new assignment. The Attorney General's office has requested such an arrangement.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED APPROVING THIS PROPOSED LEGISLATION AND AUTHORIZING THE EXECUTIVE OFFICER TO ARRANGE FOR ITS INTRODUCTION AND TO REQUEST FAVORABLE CONSIDERATION THEREOF BY THE APPROPRIATE COMMITTEES OF THE LEGISLATURE.

15. (PROPOSED BUDGET, DIVISION OF STATE LANDS 1951-52 FISCAL YEAR - W.O. 736)  
The Commission was informed as follows:  
The appropriation request of the Division of State Lands for the 1951-52 fiscal year is predicated upon a continued high rate of activity during the forthcoming period. This assumption is justified by the following factors:

1. An anticipated continued increase in population in 1951-52, creating additional demands for goods and services.
2. Unsettled conditions in the far east, and a resultant demand on Pacific Coast ports, which in turn will create a need for tideland operations and leases.
3. Continued demands on the staff for performance of work in connection with extraordinary projects, such as defense of the State's tidelands.
4. Comparative figures show a continued increase in transactions handled during the last two fiscal years as is indicated by a 10% increase in the number of work orders processed during 1949-50 over 1948-49.

Proposed expenditures and revenues for the 1951-52 fiscal year may be summarized as follows:

EXPENDITURES

Description	Estimated		Increase or Decrease from 1950 - 51
	1950 - 51	1951 - 52	
No. of Positions	61.2	63.2	‡ 2
Expenditures for Support	205,742.	298,249.	‡ 92,507.
Other Current Expenses	95,000.	95,000.	‡ 0.
Contributions to Retirement System	19,610.	20,699.	‡ 1,089.
Total Expenditures	<u>320,352.</u>	<u>413,498.</u>	‡ <u>93,596.</u>