

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT TO AGREEMENT 412, McDONALD GAS FIELD, TO PROVIDE THAT FROM AND AFTER JANUARY 1, 1950, THE PERCENTAGE OF STATE LANDS WITHIN THE PRODUCTIVE LIMITS OF THE McDONALD GAS FIELD FOR ROYALTY ACCOUNTING PURPOSES SHALL BE 8.77%, IN LIEU OF 8.23% AS PROVIDED HERETOFORE, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT TO REMAIN IN FULL FORCE AND EFFECT.

15. (OIL AND GAS LEASE EXTENSION AND RENEWAL, HONOLULU OIL CORPORATION, RINCON FIELD - W.O. 743, P.R.C. 429.) The Commission was informed that on April 12, 1951 (Minute Item 21, Page 1342), it authorized the issuance of Oil and Gas Lease Extension and Renewal P.R.C. 429, Rincon Field, to the Honolulu Oil Corporation, subject to approval by the Department of the Interior. A letter statement of nonobjection by the Department of the Interior to the action issuing the Oil and Gas Lease Extension and Renewal was received June 7, 1951.

Section 15 of the subject Lease, P.R.C. 429, provides in part that in the event the State should elect to take royalty in money instead of in kind, the lessee shall not sell or otherwise dispose of the products produced thereunder except in accordance with a sales contract or other method first approved in writing by the State. The lessee has requested approval of the continuation of the marketing procedure in effect heretofore under a sales contract filed April 18, 1941, in connection with preceding Lease 56 (303-1921), whereunder all royalty payable on oil has been calculated upon the reasonable market price for the oil at the well, which is defined as the price posted by the General Petroleum Corporation for oil of like quality and gravity in the Rincon Field.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO INFORM HONOLULU OIL CORPORATION, LESSEE UNDER OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 429, THAT UNTIL FURTHER NOTICE FROM THE STATE LANDS COMMISSION AUTHORIZATION IS GRANTED FOR THE CONTINUATION OF THE METHOD OF ACCOUNTING FOR OIL ROYALTY PAYABLE UNDER THE SUBJECT LEASE UPON THE REASONABLE MARKET PRICE FOR THE OIL AT THE WELL, WHICH SHALL BE THE PRICE POSTED BY THE GENERAL PETROLEUM CORPORATION FOR OIL OF LIKE QUALITY AND GRAVITY IN THE RINCON FIELD, SUBJECT TO THE EXPRESS CONDITION THAT THE AUTHORIZATION OF THIS PROCEDURE SHALL NOT BE CONSTRUED TO MODIFY OR AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL THE TERMS AND CONDITIONS OF OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 429.

16. (ACQUISITION BY THE UNITED STATES OF LANDS OCCUPIED BY THE U. S. NAVY IN SAN FRANCISCO, CALIFORNIA, UNDER THE PROVISIONS OF SECTION 126, GOVERNMENT CODE - W.O. 1002.) The Commission was informed that on November 20, 1950, it authorized the Executive Officer to order and conduct the requisite hearings pursuant to Section 126 of the Government Code and under the rules and regulations adopted by the Commission on June 14, 1949, on an application for consent to acquisition by the United States of lands occupied by the Department of the Navy in the City and County of San Francisco, and used as a depot of supplies for the United States Marine Corps.

On October 31, 1950, an application for acceptance of jurisdiction by the United States of the lands pertaining to this installation was executed by

John T. Koehler, Acting Secretary of the Navy, and forwarded to the office of the State Lands Commission.

Pursuant to said application, arrangements were made to conduct the requisite public hearing at San Francisco, California, at 10.00 a.m., in Room 611 State Building, on May 9, 1951. The notice of such public hearing was published in the San Francisco Chronicle, San Francisco, California, on April 23, 1951, and service of notice on the Clerk of the Board of Supervisors of San Francisco County was made on April 23, 1951. Notices were thus published and served in compliance with Section 2702, California Administrative Code, Title 2.

Hearings were held by the Executive Officer at the published time and place, beginning at 10.00 a.m. A record of the hearing was made, and the transcript was made a part of the Commission record in this case. The Attorney General was represented by Mr. Walter S. Roundtree, Deputy Attorney General.

Appearances were made on behalf of the applicant by Lt. Col. Albert Dale Graves, U.S.M.C., Operations Officer of the Marine Corps Depot of Supplies, and by Mr. Charles A. Baker and Mr. James L. McNally, representing the Twelfth Naval District. No other appearances were made in support of this application, and none were made against it.

Section 126 of the Government Code requires that the State Lands Commission must have found and declared to have occurred and to exist the fulfillment of certain specified conditions. Oral and documentary evidence was presented and received at the hearings in support of the contention of the applicant that these conditions have been met and complied with. A summary thereof follows:

Evidence was presented to the effect that the acquisition was made for the "erection of forts, magazines, arsenals, dockyards, and other needful buildings within the purview of Clause 17, Section 8, Article I of the Constitution of the United States". According to evidence presented, and as observed by inspection, the installation was erected and has been continuously in use as a Marine Corps supply depot and is now being used for that purpose.

The second condition requires that a finding must be made that "the acquisition must be pursuant to and in compliance with the laws of the United States". Evidence was presented by Mr. James L. McNally, a land acquisition attorney, to the effect that the property was acquired by the United States by condemnation in Action No. 25268, filed October 24, 1945, in the United States District Court, Northern District of California, Southern Division; an order of immediate possession was entered on the same date. This action was pursuant to the provisions of the Second War Powers Act (Public Law 507, 77th Congress, 56 Stat. 177, Title 50 App. U.S.C.A. Sec. 632). Declaration of Taking was filed on October 28, 1946, and judgments entered and duly recorded. Further evidence was presented by Mr. McNally, as an expert in land acquisition, to the effect that, in his opinion, all statutory requirements had been fully complied with and the United States is vested with a good and sufficient title in fee simple to the subject lands.

The third condition upon which a finding is required is to the effect that "the United States must in writing have asserted its acceptance of jurisdiction

over the lands upon and subject to each and all of the conditions and reservations in this section prescribed". Under the provisions of an Act of Congress of October 9, 1940, Public Law 825, "the head or other authorized officer of any department of the Government" may accept jurisdiction from the State. A letter from the Department of the Navy, accepting jurisdiction over the subject installation on behalf of the United States, and signed by Mr. John T. Koehler, Acting Secretary of the Navy, was received by the Division of State Lands on November 6, 1950. This acceptance is made subject to each and all of the conditions and reservations prescribed in Section 126, Government Code, State of California.

The fourth requirement is that the Commission must have found and declared that the acquisition is in the interest of the State. Lt. Col. Albert D. Graves testified that the Marine Corps Depot of Supplies is an integral part of the National Defense System, and in that respect its mission is in the interest of the State. He further testified that the installation employed about 2,700 people, with a monthly payroll of about \$590,000.

#### SUMMARY

The hearings on this case were held at San Francisco, California, on May 9, 1951, pursuant to Commission authority. The findings of the hearing officer are as follows:

1. The property involves some ninety (90) acres of land in the Islais Creek section of San Francisco, and was acquired and is being used as a depot of supplies by the United States Marine Corps.

The acquisition comes within the purview of Clause 17, Section 6, Article I, of the Constitution of the United States, which requires that it be "for the erection of forts, magazines, arsenals, dock-yards and other needful building or other public purposes";

2. The acquisition was by condemnation, and was made pursuant to the laws of the United States. The United States is vested with a good and sufficient title in fee simple to the subject lands;
3. The United States, through the Acting Secretary of the Navy, has assented to acquisition of jurisdiction, subject to all conditions of Section 126 of the Government Code, State of California;
4. Acquisition is in the interest of the State in view of its value as an integral part of the National Defense System, and by reason of its substantial contribution to the economy of the State;
5. All requirements of Section 126 of the Government Code of the State of California have been complied with by the applicant, and by the State Lands Commission and its staff.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE STATE LANDS COMMISSION DETERMINES, WITH RESPECT TO THOSE CERTAIN LANDS ACQUIRED AND NOW USED BY THE DEPARTMENT OF THE NAVY FOR THE MAINTENANCE OF A MARINE CORPS DEPOT OF SUPPLIES, IN SAN FRANCISCO CITY AND COUNTY, CALIFORNIA, SAID LANDS BEING DESCRIBED AS FOLLOWS:

APPROXIMATELY 90.41 ACRES OF LAND IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, ACQUIRED IN THAT CONDEMNATION PROCEEDING IDENTIFIED AS CIVIL NO. 25268-R, IN THE DISTRICT COURT OF THE UNITED STATES IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA, SOUTHERN DIVISION, AND MORE FULLY AND PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED TO THE APPLICATION.

THAT THE CONDITIONS PRESCRIBED IN SUBDIVISIONS (a), (b) AND (c) OF SECTION 126 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA, HAVE BEEN FOUND TO HAVE OCCURRED AND TO EXIST AND THAT SUCH ACQUISITION IS IN THE INTERESTS OF THE STATE. THE STATE LANDS COMMISSION DIRECTS THE EXECUTIVE OFFICER TO FILE A CERTIFIED COPY OF THIS FINDING IN THE OFFICE OF THE SECRETARY OF STATE, AND HAVE ONE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO.

17. (SUMMARINE GEOPHYSICAL EXPLORATION, UNION OIL COMPANY OF CALIFORNIA - *see P. 145 2 of minutes*) W.O. 1061, P.R.C. 627.) The Commission was informed that on September 16, 1949 (Item 24, Minute Pages 1003, 1004, 1005), it authorized a form of permit for the conduct of geophysical exploration operations on tide and submerged lands of the State of California. The operating specifications in this permit were based upon the results and techniques of submarine geophysical exploration to that date. The Union Oil Company of California has made application for permission to conduct seismograph exploration work in the offshore area between Pt. Dume, Los Angeles County, and Dana Point, Orange County, and has requested modification of the permit requirements to permit the utilization of techniques developed recently in experiments conducted jointly with the Scripps Institution of Oceanography. Principally, such modification would be required to permit the use of black powder in lieu of dynamite as the explosive charge. Experimental data with black powder have shown a virtual elimination of fish kill, but no quantitative data have been presented as to the effect of such detonations on structures. The utilization of black powder in submarine geophysical exploration work is being recommended by the staff of the Division of Fish and Game to the Fish and Game Commission as a condition of any permit to be issued by said Commission. A copy of a proposed revised form of permit for the conduct of geophysical exploration operations to permit operations with black powder is presented herewith.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS PASSED ADOPTING THE PROPOSED FORM OF REVISED PERMIT FOR THE CONDUCT OF GEOPHYSICAL EXPLORATION OPERATIONS ON TIDE AND SUBMERGED LANDS, AND AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE A PERMIT TO THE UNION OIL COMPANY OF CALIFORNIA FOR THE CONDUCT OF SUBMARINE SEISMOGRAPH EXPLORATION WORK ON THOSE TIDE AND SUBMERGED LANDS UNDER THE JURISDICTION OF THE STATE LANDS COMMISSION BETWEEN PT. DUME, LOS ANGELES COUNTY, AND DANA POINT, ORANGE COUNTY, FOR THE PERIOD AUGUST 1, 1951, TO OCTOBER 31, 1951, NO PERMIT FEE TO BE REQUIRED BEYOND THE STATUTORY \$5.00 APPLICATION FILING FEE.