

For Items 3, 4 and 35 - Oil and Gas Matters (Contd.)

Hugh B. Martin:
Hugh B. Martin
William S. Scully

For Orange County:
Heinz Kaiser, County Supervisor
Joel E. Ogle, County Counsel

John A. Blume, Consulting Engineer

For Item 31 - McCammon-Wunderlich Company Lease

James F. Seger

1. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE MINUTES OF THE MEETING OF THE STATE LANDS COMMISSION HELD IN LOS ANGELES ON MAY 26, 1954, WERE CONFIRMED AS SUBMITTED.
2. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE DATE FOR THE NEXT COMMISSION MEETING WAS TENTATIVELY SET FOR THE LAST THURSDAY IN AUGUST.
3. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, HUNTINGTON BEACH, ORANGE COUNTY - W.O. 1809.) On April 27, 1954 (Minute Item 5, pages 2057-2058) the Commission authorized the Executive Officer to publish a notice of intention to receive bids for oil and gas leases on two parcels of tide and submerged lands in Orange County, extending westerly for two miles from the westerly Newport Beach city limits and covering areas parallel with the ordinary high water mark, extending from the ordinary high water mark to two miles seaward. As reported previously, the tide and submerged land area under consideration for lease offer adjoins the Huntington Beach State Beach Park. Pursuant to the provisions of Division 6, Public Resources Code, the subsurface of this beach park may be leased by the State Lands Commission for the development of oil and gas. It is considered desirable that such subsurface area should be included in any lease offer of the adjoining tide and submerged lands, thereby accomplishing proper development and control and eliminating any future problems as to such development from an isolated area. The recommendation for inclusion of the beach park area in any lease offer of adjoining tide and submerged lands by the Commission has been reviewed with, and without objection by, the Director of Natural Resources and the Chief of the Division of Beaches and Parks. X

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO INCLUDE THE OFFER FOR LEASE OF THE SUBSURFACE AREA OF HUNTINGTON BEACH STATE PARK WITH ANY OFFER FOR LEASE OF THE ADJOINING TIDE AND SUBMERGED LAND AREA AS AUTHORIZED HERETOFORE ON APRIL 27, 1954 (MINUTE ITEM 5, PAGES 2057-2058).

4. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, HUNTINGTON BEACH, ORANGE COUNTY - W.O. 1809.) The County of Orange is the owner of approximately 6.8 acres of land at the mouth of the Santa Ana River lying landward

of the ordinary high water mark and between the easterly end of the Huntington Beach State Beach Park and the westerly city limits of Newport Beach. Because this acreage is contiguous to the area of tide and submerged lands and the subsurface area of the Huntington Beach State Beach Park proposed to be leased by the Commission for oil and gas development (Minute Item 5, pages 2057-2058 and Calendar Item 24, this calendar), the county has suggested that the subject area be included with the State lease offer. It is considered that such inclusion would be advantageous in permitting the lease offer on a continuous parcel of land extending westerly from the Newport Beach city limits and, therefore, accomplish proper development and control as to an otherwise isolated parcel of county-owned land. This would also eliminate any further problems as to future independent development from such isolated area. Compensation to the county would be calculated as that proportion of the total lease revenues that the area of county-owned land bears to the total area to be leased. In addition, in the event of issuance of any subsurface easements through the county-owned lands for pipe lines and other purposes, such easements would be issued in accordance with the uniform schedule established heretofore by the Commission, with the proceeds therefrom to be transferred to the county.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF ORANGE TO ACCOMPLISH THE FOLLOWING:

1. TRANSFER OF JURISDICTION FROM THE COUNTY OF ORANGE TO THE STATE LANDS COMMISSION OVER THE SUBJECT PARCEL OF 6.8 ACRES OF LAND LYING BETWEEN THE WESTERLY LIMITS OF THE CITY OF NEWPORT BEACH, THE EASTERLY LIMIT OF THE HUNTINGTON BEACH STATE BEACH PARK, THE SOUTHERLY RIGHT-OF-WAY LINE OF THE PACIFIC ELECTRIC RAILROAD, AND THE ORDINARY HIGH WATER MARK OF THE PACIFIC OCEAN, TO PERMIT SUBSURFACE OIL AND GAS DEVELOPMENT FROM SUBJECT LANDS.
2. FUTURE COMPENSATION TO THE COUNTY OF ORANGE OF THE TOTAL REVENUES TO ACCRUE UNDER ANY OIL AND GAS LEASE TO BE ISSUED PURSUANT TO W.O. 1809 TO BE IN THE PROPORTION THAT THE AREA OF COUNTY-OWNED LAND BEARS TO THE TOTAL AREA LEASED FOR OIL AND GAS DEVELOPMENT. IN ADDITION, ANY RENTALS DERIVED FROM THE ISSUANCE OF RIGHTS-OF-WAY AND EASEMENTS THROUGH THE COUNTY-OWNED LAND, ISSUED PURSUANT TO THE STANDARD RENTAL SCHEDULES OF THE STATE LANDS COMMISSION, ARE TO BE TRANSFERRED TO THE COUNTY.

UPON COMPLETION OF THE FOREGOING AGREEMENT, THE EXECUTIVE OFFICER IS AUTHORIZED TO INCLUDE THE OFFER OF LEASE OF THE SUBSURFACE AREA OF THE SUBJECT LANDS OWNED BY ORANGE COUNTY WITH ANY OFFER FOR LEASE OF THE ADJOINING TIDE AND SUBMERGED LAND AND STATE PARK AREA, AS AUTHORIZED HERETOFORE ON APRIL 27, 1954, (MINUTE ITEM 5, PAGES 2057-2058 AND CALENDAR ITEM 24, THIS CALENDAR).