

12. (SALE OF VACANT FEDERAL LAND, OBTAINED THROUGH USE OF BASE, SCRIP APPLICATION NO. 4859, SACRAMENTO LAND DISTRICT, MERCED COUNTY, ADRIAN BROS. - S.W.O. 5439.) The following report was presented to the Commission by the staff:

"An offer has been received from Adrian Bros. of Los Banos, California, to purchase Lot 6 of Section 12, NW $\frac{1}{4}$ of NW $\frac{1}{4}$, E $\frac{1}{2}$ of NW $\frac{1}{4}$, W $\frac{1}{2}$ of NE $\frac{1}{4}$, W $\frac{1}{2}$ of SE $\frac{1}{4}$ and Lots 1, 2, 3 and 4 (or E $\frac{1}{2}$ of E $\frac{1}{2}$) of Section 13, T. 13 S., R. 9 E., and Lots 1, 2, 3 and 4 of Section 18, and Lots 1 and 2 of Section 19, T. 13 S., R. 10 E., M.D.M., containing 602.48 acres in Merced County. This land may be obtained by the State from the Federal Government through use of base. Adrian Bros. made an offer of \$3,012.40, or \$5 per acre.

"The Assessor of Merced County has assessed contiguous land at \$4 and \$5 per acre, thus indicating its appraised value to be \$8 and \$10 per acre.

"An inspection and appraisal by a member of the Commission's staff on November 18, 1954, establishes the value on 300.05 acres of the subject land at \$8 per acre, or \$2,400.40, and 302.43 acres of the subject land at \$10 per acre, or \$3,024.30, a total of \$5,424.70. Adrian Bros. posted the necessary amount to meet this value. The appraisal also indicates that the land is not suitable for cultivation without artificial irrigation.

"The selection of the subject land is considered to be to the advantage of the State in that the selection thereof will assist the State in satisfying the loss to the School Land Grant and in addition will place said land on the tax rolls of the county in which it is situated.

"The State's application to select the land has been accepted by the Bureau of Land Management, and the land was listed (conveyed) to the State January 10, 1955."

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

THE COMMISSION DETERMINES THAT IT IS TO THE ADVANTAGE OF THE STATE TO SELECT THE FEDERAL LAND COMPRISED IN LOT 6 OF SECTION 12, NW $\frac{1}{4}$ OF NW $\frac{1}{4}$, E $\frac{1}{2}$ OF NW $\frac{1}{4}$, W $\frac{1}{2}$ OF NE $\frac{1}{4}$, W $\frac{1}{2}$ OF SE $\frac{1}{4}$ AND LOTS 1, 2, 3 AND 4 (OR E $\frac{1}{2}$ OF E $\frac{1}{2}$) OF SECTION 13, T. 13 S., R. 9 E., AND LOTS 1, 2, 3 AND 4 OF SECTION 18, AND LOTS 1 AND 2 OF SECTION 19, T. 13 S., R. 10 E., M.D.M., CONTAINING 602.48 ACRES IN MERCED COUNTY; THE COMMISSION FINDS THAT SAID FEDERAL LAND IS NOT SUITABLE FOR CULTIVATION; THE COMMISSION SELECTS AND AUTHORIZES THE SALE OF SAID LAND, FOR CASH, TO ADRIAN BROS., AT THE APPRAISED CASH PRICE OF \$5,424.70, SUBJECT TO ALL STATUTORY RESERVATIONS INCLUDING MINERALS.

13. (ACCEPTANCE OF GRANT OF TENANCY IN COMMON, PATENTED SCHOOL LANDS, RIVERSIDE COUNTY, LLOYD R. AND KATHLEEN M. EARL - W.O. 2031.) The following report was presented to the Commission by the staff:

"On December 19, 1946, the Commission authorized the issuance of right-of-way Easement P.R.C. 303.2, 16.5 feet in width and 2,656.61 feet in length, across certain school lands in Riverside County, to the Southern California Gas Company and the Southern Counties Gas Company as tenants in common, for a term of 15 years with right of renewal for an additional period of 10 years, at an annual rental of \$93.12, for the installation, maintenance and use of a gas pipe line.

"On September 10, 1953, Patent No. 19558, embracing the school lands crossed by the aforesaid easement, was issued to Lloyd R. Earl without being made subject to the aforesaid easement. This error was discovered shortly thereafter, and said patent was returned for correction. On October 9, 1953, correctory Patent No. 19575 was issued to Mr. Earl expressly subject to the aforesaid easement. From a legal point of view, the efficacy of the second patent may be questioned, in that, apparently title passed with the first patent and did not revert to the State when the patent was returned for correction. Be that as it may, the second patent was issued and its validity has not as yet been questioned by the patentee.

"As stated previously, the second patent is expressly subject to the existing easement. This language therefore affords protection to the grantee of the easement; however, it apparently could be construed so as to effectively preclude the State from collecting future annual rentals and renewing the agreement upon its expiration. Thus, the patentee would be deemed the paramount owner, and consequently he would realize a windfall, for the appraiser did not consider the easement when evaluating the premises.

"As a result of the above problem, the grantee of the easement was also placed in somewhat of a dilemma, for until a solution was reached, it was questionable as to who was entitled to the rent. This matter was referred to the Attorney General's Office, and two courses of action were informally suggested, rescission and possible litigation, or negotiation of a grant to the State. Litigation would resolve the problem, but in view of the probable expense and defense of laches, legal action was not recommended.

"Under the circumstances it was then decided that it would be more expedient to negotiate a grant from the patentee to the State, and thus assure collection of future rental without objection. Accordingly, Mr. Earl and his wife, Kathleen M. Earl, agreed to grant the State a tenancy in common covering that parcel of land crossed by the aforesaid easement, for a term coextensive with that of the easement, giving the State the exclusive right to collect future rentals, and to modify, alter, amend or renew said easement, provided that the State agreed to execute a quit-claim deed to Mr. and Mrs. Earl or their successor in interest upon termination or expiration of the grant, the consideration being \$10."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT THE GRANT OF A TENANCY IN COMMON COVERING THAT CERTAIN PARCEL OF LAND IN RIVERSIDE COUNTY, GROSSED BY EASEMENT P.R.C. 303.2; TO PRESENT A RECOMMENDATION TO THE DIRECTOR OF FINANCE TO THE EFFECT THAT HE APPROVE THE AFORESAID ACCEPTANCE; AND TO ISSUE A WARRANT FOR \$10 TO LLOYD R. AND KATHLEEN M. EARL, BEING THE CONSIDERATION FOR THE GRANT.

14. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING ACTIONS OF THE EXECUTIVE OFFICER, PURSUANT TO AUTHORITY GRANTED BY THE COMMISSION, ARE HEREBY CONFIRMED:

<u>Application No.</u>	<u>Applicant</u>	<u>County</u>	<u>Form of Action</u>
W.O. ---- P.R.C. 185.1	Santa Catalina Island Company	Los Angeles	Amendment
W.O. 1431 P.R.C. 802.1	George R. Wilson	Sacramento, San Joaquin	Right-of-way easement
W.O. 1871 P.R.C. 1459.9	City of Long Beach	Los Angeles, Orange	Permit
W.O. 1891 P.R.C. 1451.9	City of Sausalito	Marin	Lease
W.O. 1929 P.R.C. 467.1	Michael Hallissy	Contra Costa	Renewal
W.O. 1948 P.R.C. 1457.1	Western Gulf Oil Company	Los Angeles	Permit
W.O. 1955 P.R.C. 1462.1	Pacific Gas and Electric Company	San Joaquin	Right-of-way easement
W.O. 1957 P.R.C. 1456.1	Pacific Gas and Electric Company	San Joaquin	Right-of-way easement
W.O. 1958 P.R.C. 1463.9	Delta Farms Recla- mation District #2027	San Joaquin	Permit
W.O. 1963 P.R.C. 483.1	Ernest W. Davis and Oscar E. Erickson	Contra Costa	Renewal
W.O. 1969 P.R.C. 1460.9	Union Oil Company of California	Contra Costa	Permit
W.O. 1991 P.R.C. 582.1	Connolly-Pacific Company	Los Angeles	Renewal
W.O. 1977 P.R.C. 515.1	United Towing Company	Contra Costa	Assignment

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