

15. (SUMMARY REPORT, STATUS OF PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, RINCON, VENTURA COUNTY - W.O. 1436.) The following report was presented to the Commission:

"In the last report on the status of the offer of an oil and gas lease on 1175 acres of tide and submerged lands at Rincon, Ventura County, the Commission was informed that the date of March 10, 1955 had been set for hearing by the Appellate Court on the petition of the State for a writ of prohibition against the writ of mandate sought by Mr. Hugh B. Martin to restrain the issuance of the lease authorized (Minute Item 8, pages 2247-2248). Hearings were held on March 10, 1955 on the petitions of the State and the Richfield Oil Corporation for writs of prohibition. On March 21, 1955, the opinion of the Third District Court of Appeals was issued, stating in part as follows:

'Since in the instant case the Commission has found that existing conditions are such that a lease ought to be given to prevent loss to the State, and since artificial filled land islands constitute filled lands within the meaning of Section 6873 of the Public Resources Code, and since the Commission has followed all of the requisite statutory provisions, and in the language of the state has provided for the very contingencies which real party asserts may come to pass, it necessarily follows that prohibition will lie to prohibit further action in the mandamus proceeding now pending in the respondent court.

'By reason of what has heretofore been said, we deem it unnecessary to discuss any of the remaining matters raised by the parties.

'The writ will issue.'

"The defendant, Hugh B. Martin will have sixty (60) days within which to complete any appeal to the Supreme Court failing in which a writ of prohibition would be issued and following which the subject lease could be issued as authorized December 17, 1954."

16. (BID FOR MINERAL EXTRACTION LEASE, CORTE MADERA CANAL, MARIN COUNTY - W.O. 1936.) The following report was presented to the Commission:

"One bid for a lease to permit extraction of sand, gravel and fill material from a portion of Corte Madera Canal, Marin County, has been received from Schultz Investment Co. in accordance with an offer for standard lease bid pursuant to the Rules and Regulations and authorization by the Commission. The lease offer required a minimum bid of one cent per cubic yard for all material extracted, in conformance with the established policy of the Commission for areas where dredging is done at private cost so as to have concurrent benefits to navigation and flood control (Minute page 1472). The bidder has offered the minimum royalty of one cent per cubic yard for all sand, gravel and fill material extracted under the lease."

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO SCHULTZ INVESTMENT CO. A MINERAL EXTRACTION LEASE FOR A TERM OF 20 YEARS TO PERMIT THE REMOVAL OF SAND, GRAVEL AND FILL MATERIAL FROM A PORTION OF THE CORTE MADERA CANAL IN SECTIONS 9, 10, 15, 16, T. 1 N., R. 6 W., M.D.B. & M., MARIN COUNTY, CONTAINING 30 ACRES, MORE OR LESS, UPON PAYMENT OF AN ADVANCE ANNUAL RENTAL OF \$30 AND SUBJECT TO ROYALTY OF ONE CENT PER CUBIC YARD FOR ALL SAND, GRAVEL AND FILL MATERIAL EXTRACTED UNDER THE LEASE. A PERFORMANCE BOND IN THE PENAL SUM OF \$1,000 SHALL BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL CONDITIONS OF THE LEASE. THE LEASE SHALL PROVIDE THAT IT MAY BE CANCELLED BY THE STATE UPON THIRTY DAYS' NOTICE TO THE LESSEE IF IT SHOULD BE DETERMINED BY THE STATE THAT REMOVAL OF SAND, GRAVEL AND FILL MATERIAL HAS RESULTED, OR WILL RESULT, IN PERMANENTLY DAMAGING EFFECTS TO THE LANDS LITTORAL TO THE DEMISED PREMISES OR ADVERSE EFFECT TO THE REGIMEN OF THE CANAL.

17. (CONSULTING SERVICES FOR REVIEW OF PROPOSED OIL AND GAS LEASES - W.O. 2049.)

The Executive Officer submitted for consideration the interdepartmental memorandum of March 28, 1955 on the subject of consulting services and recommended that consideration be given to the employment of Dr. Paul T. Homan, University of California at Los Angeles, and other experts to be selected by him, for initial study and report on the proposed offshore leasing towards the southeasterly end of Huntington Beach, the cost of such study and report not to exceed \$20,000 and the report to be completed within 90 days. The Executive Officer further suggested that the proposed State-wide project be deferred until the results of this initial survey are known, having in mind that the issues and scope of the State-wide survey could be then more clearly defined.

The Commission agreed with this procedure, except that it was felt that experts other than Dr. Homan should not come from a University but should be selected from the point of view of more direct experience with business and industry. The Executive Officer was instructed to make further inquiries in this respect and to confer informally with individual members of the Commission at the earliest opportunity. As a basis for the study by the initial board at Huntington Beach, the staff was instructed to compile a report covering its own investigations and recommendations.

As to the State-wide study, the Executive Officer was instructed to define the scope thereof and to make an estimate of its cost for the purpose of presenting to the Legislature an item in the 1955-56 budget. The Executive Officer was further instructed to investigate and report back to the Commission the necessity or desirability of having an expression of policy from the Legislature with respect to this State-wide survey.